

**Greentree Health Science Initiative**



**Tab 1: Contact Information**

Name of applicant:	Warren County Joint Vocational School District
Address of the main applicant:	3529 St. Rt. 48 Lebanon, Ohio 45036
Phone number:	513-932-5677 ext. 5210
Fax number:	513-934-0121
Email Address:	<a href="mailto:Joel.Anderson@mywccc.org">Joel.Anderson@mywccc.org</a>
Applicant Contact:	Joel Anderson Director of Curriculum & Instruction
County:	Warren
Population:	212,693 (Warren County)

## Tab 2: Collaborative Partners

Name of collaborative partner: City of Middletown  
Address: One Donham Plaza Middletown, Ohio 45042  
Phone number: 513-425-7766  
Fax number: 513-425-7921  
Email address: [deniseha@cityofmiddletown.org](mailto:deniseha@cityofmiddletown.org)  
Population: 48,694

Name of collaborative partner: Atrium Medical Center  
Address: 1 Medical Center Drive Franklin, Ohio 45005  
Phone number: 513-420-5204  
Fax number: 937-641-7187  
Email address: [JWMckinney@AtriumMedCenter.org](mailto:JWMckinney@AtriumMedCenter.org)  
Population: 48,694 (City of Middletown)

Name of collaborative partner: Miami University Middletown  
Address: 4200 N. University Blvd. Middletown, Ohio 45042  
Phone number: 513-727-3200  
Fax number: 513-727-3451  
Email address: [sanderlk@muohio.edu](mailto:sanderlk@muohio.edu)  
Population: 48,694 (City of Middletown)

Name of collaborative partner: Cincinnati State Technical and Community College  
Address: 3520 Central Parkway Cincinnati, Ohio 45223  
Phone number: 513-569-1500  
Fax number: 513-569-1413  
Email address: [tim.mott@cincinnati-state.edu](mailto:tim.mott@cincinnati-state.edu)  
Population: 802,374 (Hamilton County)

The Warren County Joint Vocational School District currently partners with the City of Middletown, Atrium Medical Center, Miami University, and Cincinnati State on the Greentree Health Science Academy. The Greentree Health Science Academy is an innovative public/private collaboration. The City of Middletown and the Warren County Port Authority along with State of Ohio have been involved in securing financing for the project. The City of Middletown built Greentree Health Science on the campus of Atrium Medical Center with federal stimulus dollars. Greentree provides a seamless pathway from high school to graduate school. It delivers the full educational experience in a single place. Miami University and the Warren County Career Center are leasing the building from the City of Middletown for twenty years. After the twenty years, the building becomes the property of Miami University and the Warren County Career Center.

Greentree Health Science Academy houses programs from high school to master's degree programs from multiple institutions. The Greentree Health Science Academy connects students of all ages and with various education levels to promising futures in health care. From a high school program to industry credentials and from Associate Degrees to Bachelor's Degrees, Greentree will help students achieve their career goals cost-effectively, conveniently and in manageable steps that fit their busy lives.

### Tab 3: Project Information

Name of Project:	Greentree Health Science Initiative
Brief project description:	<p>The partners will hire an outside agency to conduct a feasibility study to determine the Health Care Careers and Education requirements for the next 10-15 years for the region. With technology and the advances in medicine, Health Care Careers and Education are constantly changing. If we are to remain on the cutting edge, we need data and research to help guide us to this new phase.</p> <p>Conducting a feasibility study is a good business practice. If you examine successful businesses, you will find that they did not go into a new business venture without first thoroughly examining all of the issues and assessing the probability of business success.</p>
Ident. of the type of award:	This type of award is a grant for a feasibility study.
Proof of feasibility study:	Only applicable for loans.
Problem statement:	With advances in health care as well as technology, what will the future of health care education and occupations look like in the next 10-15years.
Ident.of one innovation:	Coproduction: More than one entity planning and/or implementing a project that is service-oriented to achieve greater capacity and proves a saving over cost standards for the same service.
Anticipated ROI:	<p>The \$100,000 grant for the feasibility study will allow us to:</p> <ol style="list-style-type: none"><li>1. Give focus to the project and outline alternatives.</li><li>2. Narrow business alternatives</li><li>3. Identifies new opportunities through the investigative process.</li><li>4. Identify reasons not to proceed.</li><li>5. Enhance the probability of success by addressing and mitigating factors early on that could affect the project.</li></ol>

6. Provide quality information for decision making.
7. Provides documentation that the business venture was thoroughly investigated.
8. Help in securing funding from lending institutions and other monetary sources.
9. Help to attract equity investment.

The feasibility study is a critical step in the business assessment process. If properly conducted, it may be the best investment you ever made. Our return on investment is at least \$500,000 in programming supplies and equipment. This cost avoidance will allow us to review the data to determine which programming supplies and equipment that we should focus on for the future. We hope to apply for the Local Government Innovation Fund loan to help pay for the needed equipment and supplies. An example is moving to electronic medical records. We need the software and equipment to move into this arena.

Probability of success:

The probability of the proposals success is extremely high. We have worked with all the partners on building the Greentree Health Science Academy. This coproduction resulted in a 30,000 square foot building that cost \$5 million. We currently share the building with our partners and split the costs thus saving tax dollars. Greentree Health Science Academy is the first building in the United States that public and private institutions have come together to create a seamless transition from high school, to adult ed. to community college and university level.

The anticipated savings is at least \$500,000 in programming, equipment, and supplies. Our plan is to conduct the feasibility study and then position ourselves for the next 10-15 years of Health Careers and Education by starting programs, buying equipment and supplies, and restructuring Greentree to support the study.

Description of plan and replication: Our plan is to conduct the study to see what the future holds in Healthcare Careers and Education for the next 10 years. This can be easily replicated by any other institution

as well as to scale to allow other political subdivisions. We would like to add Wright State University because they offer a Master's degree in Health Information. Other Hospitals and Health Care institutions could be included or added to the project

- Ident. of larger consolidation: This is not a larger consolidation.
- Ident. of past success: The current partners have had success on a coproduction on building a \$5 million 30,000 square foot building.
- Description of current changes: The proposed project allows the partners to share resources without duplicating programs and/or services. The Warren County Career Center teaches high school and adult students. Miami University and Cincinnati State have Associate and Bachelor degree programs in health care. A student could go from high school to post-secondary and never leave the Greentree Health Science Academy building. If Wright State is brought on board, then a student could get a Master's degree as well without leaving the building. Current Atrium Medical Center employees can also take advantage of Greentree since Greentree is on the Atrium Medical Center Campus. There currently is a shortage of skilled Health Care professionals in this region. This will allow the partners to train professionals for this region.
- Intent to implement: Our intent is to implement the results of the feasibility study and shift funds to help support the initiative.
- Improved business environment: The improved business environment is that we are not duplicating programs and services in Healthcare Education. This allows each partner to save tax dollars.

**Tab 4: Financial Documentation:**

Detailed financial information:	See attachment 4.1
Anticipated projects costs:	\$100,000
Percentage of matching funds:	\$10,000 split among the partners.
Financial projections cost savings:	The anticipated savings is at least \$500,000 in programming, equipment, and supplies. Our plan is to conduct the feasibility study and then position ourselves for the next 10-15 years of Health Careers and Education by starting programs, buying equipment and supplies, and restructuring Greentree to support the study

**Tab 5: Supporting Documentation:**

Executed partnerships:	Executed partnership agreements are in process. We hope to have all completed by April 30, 2012.
Resolution of support:	Resolutions of support are in process. We hope to have all completed by April 30, 2012.
Documentation from 2010 census:	Warren County: 212,693 Butler County: 368,130 Hamilton County: 802,374
Self-Score assessment:	See attachment 5.1

Attachments:



Dave Yost • Auditor of State



**WARREN COUNTY VOCATIONAL SCHOOL DISTRICT  
WARREN COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Warren County Vocational School District  
Warren County  
3529 N. State Route 48  
Lebanon, Ohio 45036

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Warren County Vocational School District, Warren County, Ohio (the School District), as of and for the year ended June 30, 2011, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Warren County Vocational School District, Warren County, Ohio, as of June 30, 2011, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and Adult Education funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2011, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the School District's basic financial statements taken as a whole. The federal awards receipts and expenditures schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The federal awards receipts and expenditures schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



**Dave Yost**  
Auditor of State

December 2, 2011

**WARREN COUNTY VOCATION SCHOOL DISTRICT  
WARREN COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(UNAUDITED)**

The management's discussion and analysis of Warren County Vocational School District's (the School District) financial performance provides an overall review of the financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the financial statement and financial statements to enhance their understanding of the School District's financial performance.

***Financial Highlights***

Key financial highlights for 2011 are as follows:

- Governmental total assets exceeded total liabilities at the close of the most recent fiscal year by \$18.26 million for governmental activities.
- Governmental general revenues accounted for \$14.89 million in revenue or 77.66 percent of all revenues. Program specific revenues in charges for services and grants and contributions accounted for \$4.28 million or 22.34 percent of \$19.17 million in total revenue.
- The business-type activities were financed through programs revenues of \$0.15 million resulting in year end net assets of \$0.21 million.
- At the end of the current fiscal year, cash and cash equivalents of \$14.50 million accounted for 60.64 percent of total assets, excluding capital assets, an increase of over eleven percent from last year's amount mainly as a result of the cash increase the general fund balances.
- The School District had \$18.32 million in expenses relating to governmental activities; only \$4.28 million of these expenses were offset by program specific revenues. General revenues were adequate to cover the \$14.03 million net expense of governmental programs.
- Among major funds, the general fund had \$15.09 million in revenues and \$12.80 million in expenditures. The general fund's balance at the close of the current year was 92.86 percent of the current year's expenditures.

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*Overview of the Financial Statements*

The discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the School District's finances, in a manner similar to private-sector business.

The *statement of net assets* presents information on all the School District's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the School District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave.)

Both of the government-wide financial statements distinguish functions of the School District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities include general instruction of secondary students and the associated support for those services. The business-type activities include general customer services for the School District. The government-wide financial statements can be found on pages 13-14 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the School District can be divided into three categories: governmental, proprietary and fiduciary funds.

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*Governmental funds.* Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the governmental activities statement of net assets and statement of activities.

The School District reports on eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and the statement of fund revenues, expenditures and changes in fund balance for the general, adult education and permanent improvement funds, which are considered major funds. Data from the other fifteen governmental funds are combined into a single, aggregate presentation.

The School District adopts an annual appropriation budget for all of its governmental funds. Budgetary comparison statements have been provided for the major funds to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 15-18 of this report.

*Proprietary Funds.* The School District maintains one type of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The School District uses enterprise funds to account for its customer service. The proprietary fund statements can be found on pages 19-21.

*Fiduciary Funds.* Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School District's own programs. The accounting used for fiduciary funds is much like that used for governmental funds. The basic fiduciary fund financial statement can be found on page 22 of this report.

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*Notes to the Financial Statement.* The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 23 of this report.

***Government-Wide Financial Analysis***

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a comparison of the School District's net assets for 2010 to 2011.

*Table 1  
Net Assets*

	<i>Governmental Activities</i>			<i>Business-Type Activities</i>		
	<i>(In millions)</i>					
	<u>2010</u>	<u>2011</u>	<u>Change</u>	<u>2010</u>	<u>2011</u>	<u>Change</u>
<b>Assets</b>						
Current and Other Assets	\$21.03	\$23.72	\$2.69	\$210,094	\$207,787	(\$2,307)
Capital Assets	<u>13.32</u>	<u>11.33</u>	<u>(1.99)</u>	<u>17,859</u>	<u>11,749</u>	<u>(6,110)</u>
<i>Total Assets</i>	<u>34.35</u>	<u>35.05</u>	<u>0.70</u>	<u>227,953</u>	<u>219,536</u>	<u>(8,417)</u>
<b>Liabilities</b>						
Long-term Liabilities	7.28	7.70	0.42	0	0	0
Other Liabilities	<u>9.67</u>	<u>9.09</u>	<u>(0.58)</u>	<u>7,968</u>	<u>7,725</u>	<u>(243)</u>
<i>Total Liabilities</i>	<u>16.95</u>	<u>16.79</u>	<u>(0.16)</u>	<u>7,968</u>	<u>7,725</u>	<u>(243)</u>
<b>Net Assets</b>						
Invested in Capital Assets, net of related debt	5.56	4.08	(1.48)	17,859	11,749	(6,110)
Restricted	0.95	1.26	0.31	0	0	0
Unrestricted	<u>10.89</u>	<u>12.92</u>	<u>2.03</u>	<u>202,126</u>	<u>200,062</u>	<u>(2,064)</u>
<i>Total Net Assets</i>	<u>\$17.40</u>	<u>\$18.26</u>	<u>\$0.86</u>	<u>\$219,985</u>	<u>\$211,811</u>	<u>(\$8,174)</u>

Total liabilities for governmental activities decreased slightly as the School District started paid down the certificates of participation notes but issued new debt for energy efficiency in the buildings. The School District saw the current and other assets increase after having decrease for the first time last year. The School District's main reason for the increase was the increase in the general fund cash balance. The capital assets decreased because of current year disposals and depreciation.

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The School District is maintaining larger cash reserves and continues transferring those reserves when available to the permanent improvement fund and other capital improvement fund to address facility as well as technology replacement issues over the next five years. The main facility is over thirty-five years old and will require support from the General fund revenues to repay the note obligations. The School District was rated during 2009 as part of the long term financing plan. The School District is required to use General Fund cash reserves to cover the maintenance costs on the new facility and for any future capital improvements. Graph 1 breaks down the School District's governmental activities revenues into percentages by type of revenue.

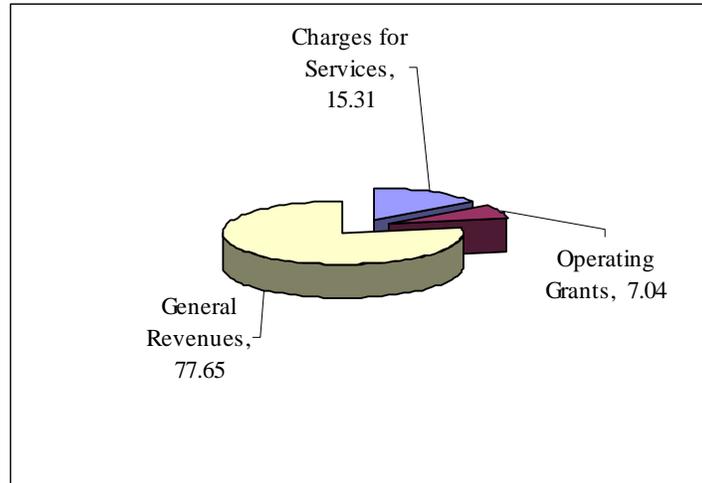


Table 2 details the actual amounts (in thousands) for the School District as a whole from 2010 to 2011.

	Governmental Activities		Business-Type Activities		Primary Government	
	2010	2011	2010	2011	2010	2011
<b>Program Revenues</b>						
Charges for Services	\$3,414	\$2,935	\$207	\$153	\$3,621	\$3,088
Operating Grants And Contributions	1,005	1,349	0	0	1,005	1,349
<b>Total Program Revenues</b>	<b>4,419</b>	<b>4,284</b>	<b>207</b>	<b>153</b>	<b>4,626</b>	<b>4,437</b>
<b>General Revenues</b>						
Property Taxes	7,239	8,238	0	0	7,239	8,238
Payment in Lieu of Taxes	361	84	0	0	361	84
Unrestricted Grants and Contributions	6,355	6,393	0	0	6,355	6,393
Investment Earnings	185	104	0	0	185	104
Miscellaneous	22	72	0	0	22	72
<b>Total General Revenues</b>	<b>14,162</b>	<b>14,891</b>	<b>0</b>	<b>0</b>	<b>14,162</b>	<b>14,891</b>
<b>All Revenues</b>	<b>\$18,581</b>	<b>\$19,175</b>	<b>\$207</b>	<b>\$153</b>	<b>\$18,788</b>	<b>\$19,328</b>

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Table 3 compares total program expenses from fiscal year 2010 to 2011.

*Table 3  
(in thousands)*

	Governmental Activities		Business-Type Activities		Primary Government	
	2010	2011	2010	2011	2010	2011
<b>Program Expenses</b>						
<i>Instruction:</i>						
Regular	\$2	\$2	\$0	\$0	\$2	\$2
Special	153	159	0	0	153	159
Vocational	8,615	8,926	0	0	8,615	8,926
Adult/Continuing	174	330	0	0	174	330
<i>Support Services:</i>						
Pupils	1,068	1,111	0	0	1,068	1,111
Instructional Staff	641	598	0	0	641	598
Board of Education	19	18	0	0	19	18
Administration	1,377	1,430	0	0	1,377	1,430
Fiscal	507	502	0	0	507	502
Business	74	95	0	0	74	95
Operation and Maintenance	586	2,256	0	0	586	2,256
Pupil Transportation	169	133	0	0	169	133
Central	2,079	2,023	0	0	2,079	2,023
Operation on Non-Instructional Services	61	20	0	0	61	20
Food Service	301	349	0	0	301	349
Extracurricular Activities	108	88	0	0	108	88
Rotary	0	0	181	161	181	161
Interest and Fiscal Charges	256	276	0	0	256	276
<b>Total Expenses</b>	<b>16,190</b>	<b>18,316</b>	<b>181</b>	<b>161</b>	<b>16,371</b>	<b>18,477</b>
Change in Net Assets	2,391	859	26	(8)	2,417	851
Beginning Net Assets	15,009	17,400	194	220	15,203	17,620
<b>Ending Net Assets</b>	<b>\$17,400</b>	<b>\$18,259</b>	<b>\$220</b>	<b>\$212</b>	<b>\$17,620</b>	<b>\$18,471</b>

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The School District saw an increase in property taxes revenue for several reasons. The School District received some additional revenue through new construction in the area. Additionally, the available tax revenue at June 30 was higher in 2010 and 2011 compared to 2009 which causes the amount reported in 2010 to be greater. The School District continues to see relatively flat foundation revenues as they are on the guarantee put in place by the State. The School District relies heavily on this revenue source to increase cash reserves. The charges for services revenue dropped as the Adult Education fund realized over \$600,000 in revenue during 2010.

The School District did see expenses increase by over \$850,000 mainly in the operation and maintenance line item. This amount can be tied directly to the energy efficiency improvements that were made by the School District. These improvements did not increase the useful life of the buildings; therefore, are considered operating costs and not capital assets of the School District.

***The Major Funds***

The School District's major funds start on page 15 for governmental funds. These funds are accounted for using the modified accrual basis of accounting, focusing on the near term financial resources of the School District. The major funds account for 94.04% of the \$18.98 million in total revenue and 93.51% percent of the \$17.88 million in total expenditures. The general fund received the majority of their revenues from property taxes and intergovernmental revenues. Revenues were greater than expenditures in the general fund creating a year end fund balance of \$11.89 million even with the School District transferring \$0.86 million for permanent improvement purposes. The adult education fund received a majority of its revenues from charges for services or fees and produced a deficit compared to a surplus in the prior year. The permanent improvement fund qualified as a major fund in 2009 with over \$4.20 million in expenditures, mainly related to the construction project and the School District has elected to continue to present it as such.

The general fund recognized \$1.05 million in current liabilities (less deferred revenue) for fiscal year 2010. Accrued salaries and benefits accounted for 73.17% of those liabilities. The general fund maintained a cash balance of \$12.04 million, which accounted for 84.29% of total School District governmental funds cash balance over thirteen percent greater than the same percentage last year as the other major and governmental funds were virtual unchanged (\$13,933 increase).

One of the School District's express purposes is to service the adult community through various programs. The School District served over 13,400 in 2011 (compared to 7,900 adults in 2010). With \$2.94 million in expenditures, the adult education fund is second behind only the general fund in expenditures that the School District incurs on an annual basis. The School District saw the adult education fund balance decrease slightly to \$0.83 million for the fiscal year.

**WARREN COUNTY VOCATION SCHOOL DISTRICT  
WARREN COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(UNAUDITED)**

*General Fund Budgetary*

Graph 3 depicts the change from the original to the final general fund revenue budget for the fiscal year ended June 30, 2011.

*Graph 3  
Original Budget versus Final Budget for General Fund*

	Budget	
	Original	Final
<b><u>Revenues:</u></b>		
Property Taxes	\$7,555,000	\$7,708,381
Intergovernmental	6,306,418	6,393,291
Other	618,570	649,039
Total Revenues	14,479,988	14,750,711
<b><u>Expenditures:</u></b>		
Current:		
Instruction	7,378,121	7,329,426
Support Services	5,217,976	4,815,525
Other	611,506	1,500,588
Total Expenditures	13,207,603	13,645,539

The School District saw no major changes within the individual revenue line items. The overall change from original to final budget was only 1.9 percent. The most significant decrease was in interest as the rates never increased as projected. The most significant increase was in tuition and fees as the School District generated more revenue from fees than expected.

Final budgeted expenditures were higher by just over three percent from the original budgeted expenditures, which is a change from the normal decrease the last two years provided. The most significant increase was in capital outlay for the expected costs associated with the energy efficiency program the School District implemented during 2011. That increase completely offset and went above the reduction in the other expenditure line items.

**WARREN COUNTY VOCATION SCHOOL DISTRICT  
WARREN COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(UNAUDITED)**

*Final Budget versus Actual Results*

The School District prepared the final budget towards the end of June 2011 when actual results were known. There is a slight difference in the final revenue amounts of \$27,029, which is for interest the School District received at the end of June. For actual expenditures to final budgeted amounts, the School District completed the final budget during the last week of June when the final expenditures amounts were known.

*Capital Assets*

During 2011, the School District saw a decrease of \$0.99 million invested in land, buildings, equipment, and vehicles. A schedule showing accumulated depreciation and the breakdown of current year depreciation can be found in note 8 of the financial statements. Table 4 shows the breakdown of the individual classes for capital assets (not including accumulated depreciation).

*Table 4  
Capital Assets, net of depreciation*

	Governmental		Business-Type		Total		Percentage
	Activities		Activities				Change
	2010	2011	2010	2011	2010	2011	2010-11
Land	\$456,000	\$456,000	\$0	\$0	\$456,000	\$456,000	0.00%
Construction in Process	381,757	0	0	0	381,757	0	(100.00)%
Land Improvements	314,563	293,803	0	0	314,563	293,803	(6.60)%
Buildings and Improvements	16,102,625	16,111,511	8,530	8,530	16,111,155	16,120,041	0.06%
Furniture and Equipment	4,994,636	5,327,456	37,905	37,206	5,032,541	5,364,662	6.60%
Vehicles	672,677	659,177	0	0	672,677	659,177	0.00%
Accumulated Depreciation	(10,605,948)	(11,521,180)	(28,576)	(33,987)	(10,634,524)	(11,555,167)	8.66%
Total	\$12,316,310	\$11,326,767	\$17,859	\$11,749	\$12,334,169	\$11,338,516	8.07%

The School District saw a significant decrease in capital assets as deletions exceeded additions and the current year's depreciation expense reduced the amount further.

*Debt Administration*

The School District repaid \$0.38 million on the certificates of participation. The School District net reduction on the capital lease obligation was only \$5,812 with the additional lease on copiers for 2011. The School District also issued \$0.88 million in energy conservation notes during the year. For further information on the School District's obligations refer to notes 13 and 14 of the financial statements.

**WARREN COUNTY VOCATION SCHOOL DISTRICT  
WARREN COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(UNAUDITED)**

*Other items impacting the financial strength of the School District*

The School District is located within Warren County and benefits from development occurring throughout the County. As one of the fastest growing counties in the State, the School District saw assessed valuations on properties increase over \$1.50 billion from 2000 to 2011 although 2009 to 2010 saw values decrease over 10%. Given the size of the valuation for the School District, this continued strong valuation signifies that the area is a growing community and the School District should continue to see economic growth throughout its jurisdictional boundaries. The School District also now will be reimbursed by all other local governments that allow new construction to be exempted as part of the new house bill legislation. During 2011, several communities were reimbursing the School District for lost property tax revenue as part of these agreements.

*Request for Information*

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Treasurer, Warren County VSD, 3529 N. SR 48, Lebanon, Ohio 45036.

Treasurer  
Warren County  
Vocational School District

**Warren County Vocational School District**  
**Warren County, Ohio**  
**Statement of Net Assets**  
**June 30, 2011**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Investments	\$ 14,296,066	\$ 201,516	\$ 14,497,582
Cash and Cash Equivalents with Escrow Agent	11,078	0	11,078
Receivables:			
Property and Other Taxes	9,107,741	0	9,107,741
Accounts	6,833	8,689	15,522
Accrued Interest	20,321	0	20,321
Intergovernmental	55,221	0	55,221
Materials and Supplies Inventory	94,825	0	94,825
Internal Balances	2,418	(2,418)	0
Restricted Cash and Cash Equivalents	22,723	0	22,723
Issuance Costs	100,346	0	100,346
Nondepreciable Capital Assets	456,000	0	456,000
Depreciable Capital Assets	10,870,767	11,749	10,882,516
<b>Total Assets</b>	<b>35,044,339</b>	<b>219,536</b>	<b>35,263,875</b>
<b>Liabilities</b>			
Payables:			
Accounts	111,455	2,388	113,843
Intergovernmental	198,126	774	198,900
Interest	22,277	0	22,277
Salaries and Employee Benefits	829,621	4,563	834,184
Retainage	899	0	899
Deferred Revenue	7,919,917	0	7,919,917
Noncurrent Liabilities:			
Due within one year	757,440	0	757,440
Due in more than one year	6,947,158	0	6,947,158
<b>Total Liabilities</b>	<b>16,786,893</b>	<b>7,725</b>	<b>16,794,618</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	4,081,574	11,749	4,093,323
Restricted for:			
Grants	8,544	0	8,544
Debt Proceeds	22,723	0	22,723
Capital Improvements	1,226,395	0	1,226,395
Unrestricted	12,918,210	200,062	13,118,272
<b>Total Net Assets</b>	<b>\$ 18,257,446</b>	<b>\$ 211,811</b>	<b>\$ 18,469,257</b>

See accompanying notes to the basic financial statements

**Warren County Vocational School District**  
**Warren County, Ohio**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2011**

Function/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
<b>Governmental Activities:</b>						
<b>Instruction:</b>						
Regular	\$ 2,164	\$0	\$0	(\$2,164)	\$0	(\$2,164)
Special	158,692	0	0	(158,692)	0	(158,692)
Vocational	8,925,797	1,377,138	355,337	(7,193,322)	0	(7,193,322)
Adult/Continuing	329,824	28	231,162	(98,634)	0	(98,634)
<b>Support Services:</b>						
Pupils	1,111,129	0	215,017	(896,112)	0	(896,112)
Instructional Staff	597,775	0	134,405	(463,370)	0	(463,370)
Board of Education	17,732	0	0	(17,732)	0	(17,732)
Administration	1,430,059	348,078	62,455	(1,019,526)	0	(1,019,526)
Fiscal	501,827	0	0	(501,827)	0	(501,827)
Business	94,963	0	0	(94,963)	0	(94,963)
Operation and Maintenance of Plant	2,256,351	12,857	24,155	(2,219,339)	0	(2,219,339)
Pupil Transportation	133,439	0	0	(133,439)	0	(133,439)
Central	2,022,800	996,992	206,313	(819,495)	0	(819,495)
Operation of Non-Instructional Services	20,332	0	0	(20,332)	0	(20,332)
Food Service	348,660	199,704	120,356	(28,600)	0	(28,600)
Extracurricular Activities	88,482	0	0	(88,482)	0	(88,482)
Interest and Fiscal Charges	276,208	0	0	(276,208)	0	(276,208)
Total Governmental Activities	18,316,234	2,934,797	1,349,200	(14,032,237)	0	(14,032,237)
<b>Business-Type Activities:</b>						
Customer Service	161,621	153,447	0	0	(8,174)	(8,174)
Total Business-Type Activities	161,621	153,447	0	0	(8,174)	(8,174)
Total Primary Government	\$ 18,477,855	\$ 3,088,244	\$ 1,349,200	(14,032,237)	(8,174)	(14,040,411)

<b>General Revenues:</b>				
Property Taxes		8,237,191	0	8,237,191
Payment in Lieu of Taxes		83,566	0	83,566
Grants and Contributions not restricted to specific programs		6,393,291	0	6,393,291
Unrestricted investment earnings		104,588	0	104,588
Miscellaneous		71,671	0	71,671
Total General Revenues		14,890,307	0	14,890,307
Changes in Net Assets		858,070	(8,174)	849,896
Net Assets-Beginning		17,399,376	219,985	17,619,361
Net Assets-Ending		\$ 18,257,446	\$ 211,811	\$ 18,469,257

See accompanying notes to the basic financial statements

**Warren County Vocational School District**  
**Warren County, Ohio**  
**Balance Sheet - Governmental Funds**  
**June 30, 2011**

	General	Adult Education	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash and Investments	\$ 12,041,421	\$ 1,004,491	\$ 942,400	\$ 307,754	\$ 14,296,066
Cash and Cash Equivalents with Escrow Agent	0	0	11,078	0	11,078
Receivables:					
Property and Other Taxes	9,107,741	0	0	0	9,107,741
Accounts	6,833	0	0	0	6,833
Interfund	76,302	0	13,158	0	89,460
Accrued Interest	20,321	0	0	0	20,321
Intergovernmental	37,920	16,356	0	945	55,221
Materials and Supplies Inventory	90,234	0	0	4,591	94,825
Restricted Assets:					
Cash and Cash Equivalents	22,723	0	0	0	22,723
<b>Total Assets</b>	<b>21,403,495</b>	<b>1,020,847</b>	<b>966,636</b>	<b>313,290</b>	<b>23,704,268</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Payables:					
Accounts	67,766	23,754	604	19,331	111,455
Due to Local Governments	163,560	30,108	0	4,458	198,126
Salaries and Employee Benefits	764,759	54,316	0	10,546	829,621
Interfund	0	73,546	0	13,496	87,042
Retainage	0	0	899	0	899
Matured Leave Payable	49,146	13,791	0	0	62,937
Deferred Revenue	8,468,022	0	0	0	8,468,022
<b>Total Liabilities</b>	<b>9,513,253</b>	<b>195,515</b>	<b>1,503</b>	<b>47,831</b>	<b>9,758,102</b>
<b>Fund Balances</b>					
Nonspendable	90,234	0	0	4,591	94,825
Restricted	22,723	0	11,078	279,883	313,684
Assigned	489,714	825,332	954,055	1,826	2,270,927
Unassigned	11,287,571	0	0	(20,841)	11,266,730
<b>Total Fund Balances</b>	<b>11,890,242</b>	<b>825,332</b>	<b>965,133</b>	<b>265,459</b>	<b>13,946,166</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 21,403,495</b>	<b>\$ 1,020,847</b>	<b>\$ 966,636</b>	<b>\$ 313,290</b>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and; therefore, are not reported in the funds.

11,326,767

Other long term assets are not available to pay for current period expenditures and; therefore, are deferred in the funds.

648,451

Long-term liabilities are not due and payable in the current period and; therefore, are not reported in the funds.

(7,663,938)

\$ 18,257,446

See accompanying notes to the basic financial statements

**Warren County Vocational School District**  
**Warren County, Ohio**  
**Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2011**

	General	Adult Education	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Property and Other Taxes	\$8,054,760	\$0	\$0	\$0	\$8,054,760
Intergovernmental	6,393,291	416,367	0	930,342	7,740,000
Charges for Services	0	0	0	181,954	181,954
Tuition and Fees	403,332	2,308,586	0	0	2,711,918
Interest	104,413	0	175	0	104,588
Gifts and Donations	22,362	10,000	12,650	2,730	47,742
Payment in Lieu of Taxes	60,817	0	0	0	60,817
Rent	12,857	290	0	0	13,147
Miscellaneous	42,700	28	0	17,750	60,478
Total Revenues	<u>15,094,532</u>	<u>2,735,271</u>	<u>12,825</u>	<u>1,132,776</u>	<u>18,975,404</u>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular	0	2,164	0	0	2,164
Special	158,692	0	0	0	158,692
Vocational	7,132,954	1,110,543	2,476	145,374	8,391,347
Adult Education	4,310	77,116	0	247,505	328,931
Support Services:					
Pupils	867,337	87,037	0	156,694	1,111,068
Instructional Staff	342,616	74,746	7,952	144,960	570,274
Board of Education	17,732	0	0	0	17,732
Administration	989,144	388,793	0	39,380	1,417,317
Fiscal	500,898	0	0	0	500,898
Business	65,856	19,548	0	0	85,404
Operation and Maintenance of Plant	976,853	371	36,143	0	1,013,367
Pupil Transportation	114,863	0	17,745	0	132,608
Central	827,023	1,139,419	0	34,555	2,000,997
Operation of Non-Instructional Services	13,828	343	0	348,660	362,831
Extracurricular Activities	88,482	0	0	0	88,482
Capital Outlay	665,147	0	298,591	0	963,738
Debt Service:					
Principal Retirement	6,703	42,798	380,000	42,797	472,298
Interest and Fiscal Charges	31,984	1,837	229,790	1,837	265,448
Total Expenditures	<u>12,804,422</u>	<u>2,944,715</u>	<u>972,697</u>	<u>1,161,762</u>	<u>17,883,596</u>
Excess (deficiency) of Revenues Over (Under) Expenditures	2,290,110	(209,444)	(959,872)	(28,986)	1,091,808
<b>Other Financing Sources (Uses):</b>					
Proceeds from Sale of Capital Assets	25,923	0	0	0	25,923
Fair Value from Sale of Long Term Notes	881,000	0	0	0	881,000
Inception of Capital Leases	86,486	0	0	0	86,486
Transfers - In	0	177,449	859,790	23,794	1,061,033
Transfers - Out	(1,061,033)	0	0	0	(1,061,033)
Total Other Financing Sources (Uses)	<u>(67,624)</u>	<u>177,449</u>	<u>859,790</u>	<u>23,794</u>	<u>993,409</u>
Net Change in Fund Balances	2,222,486	(31,995)	(100,082)	(5,192)	2,085,217
Fund Balances - beginning (Restated)	9,667,756	857,327	1,065,215	270,651	
Fund Balances - ending	<u>\$ 11,890,242</u>	<u>\$ 825,332</u>	<u>\$ 965,133</u>	<u>\$ 265,459</u>	

Amounts reported in governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation and net disposals exceeded capital outlays in the current period. (989,543)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 195,856

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (499,337)

Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 65,877

Change in net assets of governmental activities \$ 858,070

See accompanying notes to the basic financial statements

**Warren County Vocational School District**  
**Warren County, Ohio**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget (Non-GAAP Basis) and Actual -**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2011**

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>Revenues:</b>				
Property and Other Local Taxes	\$7,555,000	\$7,708,381	\$7,708,488	\$107
Intergovernmental	6,306,418	6,393,291	6,393,291	0
Tuition and Fees	319,120	402,594	402,810	216
Interest	180,000	112,152	136,104	23,952
Rent	8,500	10,103	12,857	2,754
Gifts and Donations	500	22,362	22,362	0
Payment in Lieu of Taxes	95,000	59,565	59,565	0
Miscellaneous	15,450	42,263	42,263	0
<b>Total Revenues</b>	<b>14,479,988</b>	<b>14,750,711</b>	<b>14,777,740</b>	<b>27,029</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Special	159,165	157,735	157,735	0
Vocational	7,218,956	7,171,691	7,171,624	67
<b>Support Services:</b>				
Pupils	1,046,403	870,641	870,641	0
Instructional Staff	348,990	360,939	360,938	1
Board of Education	21,540	18,076	18,076	0
Administration	994,778	993,844	993,844	0
Fiscal	538,300	504,024	504,024	0
Business	66,731	65,781	65,781	0
Operation and Maintenance of Plant	1,164,819	1,041,980	1,039,150	2,830
Pupil Transportation	112,307	116,853	116,853	0
Central	924,108	843,387	843,387	0
<b>Operation of Non-</b>				
Instructional Services	23,839	13,045	13,045	0
Extracurricular Activities	88,627	91,751	91,751	0
Capital Outlay	499,040	1,364,898	1,364,898	0
<b>Debt Service:</b>				
Interest and Fiscal Charges	0	30,894	30,894	0
<b>Total Expenditures</b>	<b>13,207,603</b>	<b>13,645,539</b>	<b>13,642,641</b>	<b>2,898</b>
<b>Excess of Revenues</b>				
<b>Over Expenditures</b>	<b>1,272,385</b>	<b>1,105,172</b>	<b>1,135,099</b>	<b>29,927</b>
<b>Other Financing Sources (Uses):</b>				
Other Financing Uses	0	(17,620)	(17,620)	0
Proceeds from Sale of Capital Assets	25,000	25,888	25,923	35
Fair Value from Sale of Long Term Notes	0	881,000	881,000	0
Refund of Prior Year Expenditures	3,000	5,277	5,277	0
Advances In	201,500	502,961	502,961	0
Advances Out	(200,000)	(509,316)	(509,316)	0
Transfers Out	(1,090,000)	(1,062,084)	(1,062,084)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(1,060,500)</b>	<b>(173,894)</b>	<b>(173,859)</b>	<b>35</b>
<b>Net Change in Fund Balance</b>	<b>211,885</b>	<b>931,278</b>	<b>961,240</b>	<b>29,962</b>
Fund Balances at Beginning of Year	10,415,793	10,415,793	10,415,793	0
Prior Year Encumbrances Appropriated	99,256	99,256	99,256	0
<b>Fund Balances at End of Year</b>	<b>\$10,726,934</b>	<b>\$11,446,327</b>	<b>\$11,476,289</b>	<b>\$29,962</b>

See accompanying notes to the basic financial statements

**Warren County Vocational School District**  
**Warren County, Ohio**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget (Non-GAAP Basis) and Actual -**  
**Adult Education Fund**  
**For the Fiscal Year Ended June 30, 2011**

	Adult Education			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$534,954	\$398,451	\$400,011	\$1,560
Tuition and Fees	3,007,910	2,283,619	2,308,586	24,967
Rent	0	290	290	0
Gifts and Donations	0	10,000	10,000	0
Miscellaneous	0	28	28	0
<b>Total Revenues</b>	<b>3,542,864</b>	<b>2,692,388</b>	<b>2,718,915</b>	<b>26,527</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	1,665	2,164	2,164	0
Vocational	1,230,620	1,093,305	1,093,305	0
Adult/Continuing	4,038	74,009	74,009	0
<b>Support Services:</b>				
Pupils	50,600	68,636	68,636	0
Instructional Staff	0	81,290	81,290	0
Administration	376,678	406,667	406,667	0
Business	22,185	18,945	18,945	0
Operation and Maintenance of Plant	0	371	371	0
Central	1,958,985	1,258,164	1,258,164	0
Operation of Non-Instructional Services	2,165	1,270	1,270	0
<b>Total Expenditures</b>	<b>3,646,936</b>	<b>3,004,821</b>	<b>3,004,821</b>	<b>0</b>
Excess of Revenues Over (Under) Expenditures	(104,072)	(312,433)	(285,906)	26,527
<b>Other Financing Sources (Uses):</b>				
Refund of Prior Year Expenditures	0	(1,243)	(1,243)	0
Advances In	30,000	257,300	257,300	0
Advances Out	(30,000)	(257,300)	(257,300)	0
Transfers In	312,935	448,264	448,264	0
Transfers Out	(37,800)	(270,815)	(270,815)	0
<b>Total Other Financing Sources (Uses)</b>	<b>275,135</b>	<b>176,206</b>	<b>176,206</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>171,063</b>	<b>(136,227)</b>	<b>(109,700)</b>	<b>26,527</b>
Fund Balances at Beginning of Year	885,512	885,512	885,512	0
Prior Year Encumbrances Appropriated	126,545	126,545	126,545	0
<b>Fund Balances at End of Year</b>	<b>\$1,183,120</b>	<b>\$875,830</b>	<b>\$902,357</b>	<b>\$26,527</b>

See accompanying notes to the basic financial statements

**Warren County Vocational School District**  
**Warren County, Ohio**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2011**

	Customer Service Fund
<b><u>Assets</u></b>	
<i>Current Assets</i>	
Equity in Pooled Cash and Cash Equivalents	\$ 201,516
Receivables:	
Accounts	8,689
Total Current Assets	210,205
<i>Noncurrent Assets</i>	
Capital Assets (net of accumulated depreciation)	11,749
Total Assets	221,954
<b><u>Liabilities</u></b>	
<i>Current Liabilities</i>	
Payables:	
Accounts	2,388
Intergovernmental	774
Salaries and Employee Benefits	4,563
Interfund	2,418
Total Current Liabilities	10,143
<b><u>Net Assets</u></b>	
Invested in capital assets, net of related debt	11,749
Unrestricted	200,062
Total Net Assets	\$ 211,811

See accompanying notes to the basic financial statements

**Warren County Vocational School District**  
**Warren County, Ohio**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2011**

	Customer Service Fund
<b><u>Operating Revenues:</u></b>	
Charges for Services	153,413
Other	34
	153,447
 Total Operating Revenues	 153,447
<b><u>Operating Expenses:</u></b>	
Salaries	13,494
Fringe Benefits	8,922
Purchased Services	7,588
Materials and Supplies	124,407
Depreciation	7,210
	161,621
 Total Operating Expenses	 161,621
 Change in Net Assets	 (8,174)
 Net Assets - Beginning of Year	 219,985
 Net Assets - End of Year	 \$211,811

See accompanying notes to the basic financial statements

**Warren County Vocational School District**  
**Warren County, Ohio**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2011**

	<u>Customer Service Fund</u>
<b><u>Decrease in Cash and Cash Equivalents:</u></b>	
<b><u>Cash Flows from Operating Activities:</u></b>	
Cash Received from Customers	\$144,866
Cash Payments to Suppliers for Goods and Services	(132,221)
Cash Payments to Employees for Services	(22,433)
Cash Received from Other Operating Revenues	34
	<hr/>
<i>Net Cash Used for Operating Activities</i>	(9,754)
	<hr/>
<b><u>Cash Flows from Noncapital Financing Activities:</u></b>	
Repayment on Short Term Loan	(806)
	<hr/>
<i>Net Cash Used for Noncapital Financing Activities</i>	(806)
	<hr/>
<b><u>Cash Flows from Capital and Related Financing Activities:</u></b>	
Payments for Capital Acquisitions	(1,100)
	<hr/>
<i>Net Cash Used For Capital and Related Financing Activities</i>	(1,100)
	<hr/>
Net Decrease in Cash and Cash Equivalents	(11,660)
Cash and Cash Equivalents at Beginning of Year	213,176
	<hr/>
Cash and Cash Equivalents at End of Year	<u>201,516</u>
	<hr/>
<b><u>Reconciliation of Operating Loss to Net Cash Used for Operating Activities:</u></b>	
Operating Loss	(8,174)
	<hr/>
<b><u>Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:</u></b>	
Depreciation	7,210
<b><u>Changes in Assets and Liabilities:</u></b>	
Increase in Accounts Receivable	(8,547)
Decrease in Accounts Payable	(226)
Increase in Accrued Wages	114
Decrease in Intergovernmental Payable	(131)
	<hr/>
Total Adjustments	(1,580)
	<hr/>
Net Cash Used for Operating Activities	<u>(\$9,754)</u>

See accompanying notes to the basic financial statements

**Warren County Vocational School District**  
**Warren County, Ohio**  
**Statement of Fiduciary Assets and Liabilities -**  
**Fiduciary Funds**  
**June 30, 2011**

	<u>Agency</u>
<b><u>Assets</u></b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 54,364</u>
<b><u>Liabilities</u></b>	
Accounts Payable	45
Due to Students	<u>54,319</u>
Total Liabilities	<u>\$54,364</u>

See accompanying notes to the basic financial statements

# WARREN COUNTY VOCATIONAL SCHOOL DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2011

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### NOTE 1 - DESCRIPTION OF THE DISTRICT AND REPORTING ENTITY

Warren County Vocational School District (the School District) is a distinct political subdivision of the State of Ohio operated under the direction of a seven member Board of Education. The Board of Education is not directly elected. The Board of Education is comprised of members of other elected boards who, by charter, also serve as board members of the Warren County Vocational School District. None of the school districts that appoint Board members are financially accountable for the School District nor do any appoint a voting majority of the Board.

The School District employs 71 certified, 28 classified, 11 administrative, 12 full time Adult Education, and 7 part time Adult Education staff members along with 115 Adjunct Adult Education instructors who serve approximately 1,843 secondary students and 13,438 adult students. A vocational school exposes high school and adult students to academic preparation and job training which leads to employment and/or further education upon graduation from high school.

#### Reporting Entity

A reporting entity is composed of the primary government, component units, and other organizations that are included to insure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For the School District, this includes general operations, food service, adult education, preschool and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organizations' governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organizations' resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organizations; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. The School District has no component units.

The School District is associated with three organizations, two jointly governed organizations and one insurance purchasing pool. These organizations are the Southwest Ohio Computer Association, the Jewell Education Foundation, and the Ohio School Boards Association Workers' Compensation Group Rating Plan. These organizations are discussed in Notes 16 and 17.

# WARREN COUNTY VOCATIONAL SCHOOL DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2011

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### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School District's accounting policies are described below.

#### A. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements. *Governmental activities*, normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise fund are reported as separate columns in the fund financial statements.

#### B. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

# WARREN COUNTY VOCATIONAL SCHOOL DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2011

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### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is due.

Property taxes, grants and entitlements, tuition, fees and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when cash is received by the District.

#### *Fund Accounting*

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District employs the use of three categories of funds: governmental, proprietary and fiduciary.

#### *Governmental Funds*

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The District reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *adult education fund* accounts for transactions made in connection with adult education classes. Receipts include, but are not limited to, tuition from residents and students and reimbursements from the State Department of Education.

The *permanent improvement fund* is used to account for all transactions related to acquiring, constructing, or improving of such permanent improvements as are authorized by Chapter 5705, Revised Code. The District has chosen to report as a major fund.

WARREN COUNTY VOCATIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2011

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

The District reports the following major proprietary fund:

The *customer service fund* accounts for transactions made in connection with goods and services provided by the School District. As an example, this fund is used to account for receipts and purchases made in connection, but not limited to, culinary training, landscape services and cosmetology.

Additionally, the District reports the following fund types:

*Fiduciary Agency Funds* reporting focuses on net assets and changes in net assets. The District maintains two fiduciary funds, agency funds known as the Pell Grant and Student Activities Funds. The Pell Grant fund accounts for grant proceeds and disbursement to various students within the District. The Student Activities fund was established to account for revenues generated by student managed activities. The District's agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions (although no such grants or contributions were received for the year ending June 30, 2011). Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the customer service and internal service funds are charges to customers for sales and services. Operating expenses for the enterprise funds and internal service fund include the cost of sales, administration and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

WARREN COUNTY VOCATIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2011

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

When both restricted and unrestricted resources are available for use, it is the District's policy to use the restricted resources first, then unrestricted resources as they are needed.

**C. Budgetary Data**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

Tax Budget:

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The expressed purpose of this budget document is to reflect the need for existing (or increased) tax rates.

By no later than January 20, the Board-adopted budget is filed with the Warren County Budget Commission for rate determination.

Estimated Resources:

Prior to April 1, the Board of Education accepts by formal resolution the tax rates as determined by the County Budget Commission and receives the Commission's Certificate of Estimated Resources, which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statement reflect the amounts set forth in the final Amended Certificate issued during fiscal year 2011.

**WARREN COUNTY VOCATIONAL SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2011**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Appropriations:

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education. The School District has chosen to present the budgetary statements in the basic financial statements at the fund and function level even though the legal level of control is at the fund level.

The Board of Education may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. The final budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts.

Encumbrances:

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a portion of the assigned fund balance for subsequent-year expenditures for governmental funds and detailed in the notes to the financial statements.

Lapsing of Appropriations:

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

**WARREN COUNTY VOCATIONAL SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2011**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**D. Cash and Cash Equivalents**

To improve cash management, cash received by the School District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the School District's records. Each fund's interest in the pool is presented as equity in pooled cash and investments on the statement of net assets and fund balance sheets.

During the current fiscal year and at year-end, investments were limited to governmental sponsored enterprise securities.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during the current fiscal year amounted to \$104,413 with \$12,203 assigned from other funds. The permanent improvement capital projects fund also received interest of \$175.

For purpose of the statement of cash flows and for the presentation on the statement of net assets and fund balance sheets, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the School District are considered to be cash equivalents.

**E. Inventory (Materials and Supplies)**

Inventories are valued at lower of cost (first-in, first-out method) or market and are determined by physical count. Inventories consist of donated food, purchased food and school supplied held for resale and are expensed when used. The balance is reported as a nonspendable fund balance on the governmental balance sheet.

**F. Capital Assets**

Capital assets, which include property, plant, equipment, and vehicles, are reported on the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if actual amounts were not available. Donated capital assets are recorded at estimated fair market value at the date of donation. The School District reviewed possible infrastructure assets (roads, bridges, culverts, etc.) which could be required to be capitalized. The School District has no infrastructure assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

WARREN COUNTY VOCATIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2011

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	50
Vehicles and Equipment	5-15

**G. Interfund Assets/Liabilities**

On fund financial statements, receivables and payables resulting from transaction-like activities between a government's various funds are classified as interfund receivables/payables. These transactions are eliminated in the statement of net assets and the balances are eliminated in the governmental activities column of the statement of net assets.

**H. Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year-end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for all employees after twenty years of current service with the School District.

Expenditures or liabilities related to compensated absences are reported in governmental funds only if they are due for payment as matured leave payable. The entire liability is reported on the government-wide statement of net assets.

WARREN COUNTY VOCATIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2011

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**I. Accrued Liabilities and Long-Term Obligations**

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. Payments made more than sixty days after year-end are considered not to have used current available financial resources. Capital leases and long term notes payable are reported as a liability on the statement of net assets. Long-term obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary funds.

**J. Interfund Activity**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures in the purchase funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

**K. Fund Balance**

The School District implemented GASB No. 54 “*Fund Balance Reporting and Governmental Fund Type Definitions*” during fiscal year 2011. The School District no longer reports reservations of fund balance on the governmental balance sheet. The School District reports the following categories. Nonspendable fund balance relates to the value of consumable inventories. Restricted fund balances related to money received from federal grants or maintained in segregated accounts for construction. Committed fund balances are balances the School District Board has formally allocated through a Board Resolution. Assigned fund balances are balances the School District administration have specified the future use through either encumbrances on outstanding items (i.e. general fund), the purpose of the fund (i.e. adult education fund), transfers from the general fund for general capital needs (i.e. permanent improvement fund) or local donations that give the administration flexibility in their uses (i.e. other governmental funds). The balance is reported as unassigned fund balance. When the School District has multiple fund balances available within a particular fund, the School District will spend the funds in the following order – committed, assigned then unassigned. Nonspendable and restricted balance are subject to the governing documents and not subject to School District policy for spending the balances.

**L. Net Assets**

Net assets represent the difference between assets and liabilities in the statement of net assets. Net assets invested in capital assets are calculated, net of accumulated depreciation and reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**WARREN COUNTY VOCATIONAL SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2011**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**M. Deferred Revenues**

Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2011, but which were levied to finance fiscal year 2012 operations, have been recorded as deferred revenues. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenues.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

**N. Exchange/Non-Exchange Transactions**

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

WARREN COUNTY VOCATIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2011

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those statements.

P. Reconciliation of government-wide and fund financial statements

*Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets*

The governmental fund balance sheet includes reconciliation between *fund balance - total governmental funds* and *net assets - governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. The details of this (\$7,663,938) difference are as follows:

Capital Lease Payable	(\$110,708)
Energy Conservation Notes	(881,000)
Certificate of Participation Notes	(6,253,485)
Accrued Interest Payable	(22,277)
Compensated Absences	(396,468)
Net Adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u><u>(\$7,663,938)</u></u>

Another element of that reconciliation explains that capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund. The details of \$11,326,767 difference are as follows:

Capital Assets	\$22,847,947
Accumulated Depreciation	(11,521,180)
Net Adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u><u>\$11,326,767</u></u>

**WARREN COUNTY VOCATIONAL SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2011**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

*Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities*

An element of that reconciliation states that repayment of long-term obligations is reported as an expenditure in government funds, the repayment reduces long-term liabilities in the statement of net assets. The details of this \$65,877 are as follows:

Change in Benefit Balances	\$68,609
Change in interest due on long term notes	<u>(2,732)</u>
Net Adjustment - current financial resources focus to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u>\$65,877</u>

An element of that reconciliation states that “The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however, has any affect of net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.” The details of this (\$499,337) are as follows:

Value of new capital leases	(\$86,486)
Face value from sale of energy conservation notes	(881,000)
Principal paid on the capital lease obligation	92,298
Current year amortization of premium on notes	(4,149)
Principal paid on the long term notes	<u>380,000</u>
Net Adjustment - current financial resources focus to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u>(\$499,337)</u>

Another element of that reconciliation states that Capital additions are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. The details of this (\$989,543) are as follows:

Current Capital Additions	\$191,670
Loss on Disposal of Assets	(1,479)
Depreciation Expense	<u>(1,179,734)</u>
Net Adjustment - capital assets to increase <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u>(\$989,543)</u>

**WARREN COUNTY VOCATIONAL SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2011**

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**NOTE 3 - BUDGETARY BASIS OF ACCOUNTING**

Budgetary Basis of Accounting:

While the School District is reporting financial position, results of operations and changes in fund balance retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis) - General Fund and Major Special Revenue Funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and GAAP basis are that:

- A. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- B. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- C. Encumbrances are treated as expenditure/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosure in the proprietary fund type (GAAP basis).
- D. Advances-In and Advances-Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statements for major funds with required budgetary supplemental information. Only the general and major special revenue funds are reported for comparison.

Net Change in Fund Balance		
Major Funds		
	General Fund	Adult Education Fund
	<u>                    </u>	<u>                    </u>
GAAP Basis	\$2,222,486	(\$31,995)
Adjustments:		
Revenue Accrual	(311,515)	(16,356)
Expenditure Accrual	(381,581)	40,802
Transfers	(1,051)	0
Advances	(6,355)	0
Encumbrances	<u>(560,744)</u>	<u>(102,151)</u>
Budget Basis	<u><u>\$961,240</u></u>	<u><u>(\$109,700)</u></u>

**WARREN COUNTY VOCATIONAL SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2011**

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**NOTE 4 - ACCOUNTABILITY**

At June 30, 2011 the following fund had deficit fund balances:

<u>Nonmajor Funds:</u>	<u>Amount</u>
Food Service Fund	\$1,481
State Preschool Grant Fund	3,683
Early Entry Fund	745
ABLE Fund	451
Vocational Education Fund	9,890

The deficits resulted from adjustments for accrued liabilities. The general fund is liable for any deficit by providing operating transfers when cash is required, not when accruals occur.

**NOTE 5 - EQUITY IN POOLED CASH AND INVESTMENTS**

Monies held by the School District are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the School District treasury. Active monies must be maintained either as cash in the School District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

**WARREN COUNTY VOCATIONAL SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2011**

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**NOTE 5 - EQUITY IN POOLED CASH AND INVESTMENTS (continued)**

Interim monies held by the School District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations;
7. The State Treasurer's investment pool (STAR Ohio).
8. Commercial paper and bankers acceptances if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$4,898,490 of the School District's bank balance of \$5,659,568 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the School District's name.

**WARREN COUNTY VOCATIONAL SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 5 - EQUITY IN POOLED CASH AND INVESTMENTS (continued)**

The School District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the School District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

As of June 30, 2011, the School District had the following investments.

	Carrying and Fair Value	Average Maturity (in years)
	<hr/>	<hr/>
Federal Home Loan Bank Note	\$2,496,445	2.92
Federal National Mortgage Association Note	2,882,781	3.21
U.S Treasury Bills	149,802	0.86
Federal Home Mortgage Corporation Note	1,874,873	1.60
Certificates of Deposit	1,260,160	2.29
Federal Farm Credit Bank Note	509,280	0.63
Money Market Mutual Fund	7,672	<0.01
Total Investments	<hr/> <hr/>	
	\$9,181,013	

The School District has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The District limits their investments to securities in U.S governmental agency notes. Below are the credit ratings of the School District's investments:

Security	Rating Agency	
	Moody's	Standard & Poor's
<hr/>	<hr/>	<hr/>
Federal Home Loan Bank Note	Aaa	AAA
Federal National Mortgage Association Note	Aaa	AAA
Federal Farm Credit Bureau Note	Aaa	AAA
Federal Home Mortgage Corporation Note	Aaa	AAA

**WARREN COUNTY VOCATIONAL SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 5 - EQUITY IN POOLED CASH AND INVESTMENTS (continued)**

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The governmental agency notes are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the School District's name. The School District has no investment policy dealing with investment custodial risk beyond the requirement in state statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk - The School District places no limit on the amount it may invest in any one issuer. The School District's investment in Federal Home Loan Bank Notes represents 27.19% of the total investments, Federal National Mortgage Association Notes represents 31.40% of the total investments, the Federal Farm Credit Bureau Notes represents 5.55% of the total investments, the Federal Home Mortgage Corporation Notes represents 20.42% of the total investments, the Certificates of Deposits represents 13.73% of the total investments and the remaining 1.71% is invested in the money market mutual fund and U.S Treasury bills.

**NOTE 6- PROPERTY TAXES**

Property taxes include amounts levied against real, public utility and tangible personal (business) property. The assessed value, by property classification, upon which taxes collected in 2011 were based, is as follows:

	2010 First- Half Collections		2011 Second- Half Collection	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$3,589,635,160	96.80%	\$3,629,630,020	95.96%
Public Utility Personal	112,267,750	3.03	6,510	0.00
Tangible Personal Property	6,525,177	0.17	152,862,964	4.04
Total Assessed Value	<u>\$3,708,428,087</u>	<u>100.00%</u>	<u>\$3,782,499,494</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$4.50		\$4.50	

Property taxes are levied and assessed on a calendar year basis. First half tax collections are received by the School District in the second half of the fiscal year. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility and tangible personal (used in business) property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1, and are collected with real property taxes. Assessed values for property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value.

**WARREN COUNTY VOCATIONAL SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2011**

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**NOTE 6- PROPERTY TAXES** (continued)

2011 tangible personal property taxes are levied after April 1, 2010, on the value as of December 31, 2010. Collections are made in 2011. Tangible personal property assessments are six and one-quarter percent of true value.

Real property taxes are payable annually or semi-annually. If paid annually, payment was due by February 27. If paid semi-annually, the first payment (at least one-half of amount billed) was due February 27, with the remainder due on July 24.

The County Auditor remits portions of the taxes collected with periodic settlements of Real and Public Utility property taxes in February and August and Tangible Personal Property taxes in June and October to all taxing districts.

The District received property taxes from the County Auditor. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2011 are available to finance current fiscal year operations. The amount available to be advanced can vary based on the date the tax bills are sent.

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2011, consisted of property taxes, accounts (tuition and student fees), interfund, intergovernmental (grants and rentals), charges for services, and interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. A summary of intergovernmental receivables follows:

<u>Fund</u>	<u>Amount</u>
General Fund:	
Compensation Agreements	
Deerfield Township	\$22,749
City of Springboro	14,860
City of Franklin	311
Adult Education Fund:	
Human Services Contract	13,751
State of Ohio GED Testing	2,605
Nonmajor Governmental Fund:	
ABLE Grant Fund	945

**WARREN COUNTY VOCATIONAL SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 8 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

	Balance 07/01/2010	Increases	Decreases	Balance 06/30/2011
<b>Governmental Activities</b>				
Capital Assets, not depreciated				
Land	\$456,000	\$0	\$0	\$456,000
Construction in Progress	381,757	0	(381,757)	0
Capital Assets, being depreciated				
Land Improvements	314,563	0	(20,760)	293,803
Buildings and Improvements	16,102,625	8,886	0	16,111,511
Furniture and Equipment	4,994,636	564,541	(231,721)	5,327,456
Vehicles	672,677	0	(13,500)	659,177
Total at Historical Cost	<u>22,922,258</u>	<u>573,427</u>	<u>(647,738)</u>	<u>22,847,947</u>
Less Accumulated Depreciation	<u>(10,605,948)</u>	<u>(1,179,734)</u>	<u>264,502</u>	<u>(11,521,180)</u>
Governmental Activities Capital Assets, Net	<u>12,316,310</u>	<u>(606,307)</u>	<u>(383,236)</u>	<u>11,326,767</u>
<b>Business-Type Activities</b>				
Capital Assets, being depreciated				
Buildings and Improvements	8,530	0	0	8,530
Furniture and Equipment	37,905	1,100	(1,799)	37,206
Less Accumulated Depreciation	<u>(28,576)</u>	<u>(7,210)</u>	<u>1,799</u>	<u>(33,987)</u>
Business-Type Activities Capital Assets, Net	<u>\$17,859</u>	<u>(\$6,110)</u>	<u>\$0</u>	<u>\$11,749</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Instruction:	
Vocational	\$740,636
Adult Education	1,496
Support Services:	
Pupils and Instructional Staff	28,232
Administration	18,549
Fiscal and Business	10,573
Operation and Maintenance of Plant	29,016
Pupil Transportation	35,267
Central	309,804
Non-operational Instruction	6,161
Total Depreciation Expense	<u>\$1,179,734</u>

**WARREN COUNTY VOCATIONAL SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2011**

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**NOTE 9 - RISK MANAGEMENT**

The School District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the fiscal year 2011, the School District contracted with Governmental Underwriters of America (GUA) for general liability insurance with a \$1,000,000 single occurrence limit and a \$3,000,000 aggregate and property and building replacement of \$31,945,941 carrying a \$1,000 deductible and 90% coinsurance. Vehicles are also covered under a business policy with GUA which carries a \$500 deductible for buses and \$250/\$500 comprehensive/collision on other vehicles and a \$2,000,000 limit on liability with \$5,000 for medical and \$1,000,000 for uninsured motorists.

Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from the prior year.

For fiscal year 2011, the School District participated in the Ohio School Board Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "equity pooling fund." The "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Company provides administrative, cost control and actuarial services to the GRP.

The School District provided an option for medical/surgical benefits (PPO administered by Anthem for health care coverage) and prescription coverage through CVS Caremark. The School District paid the following amounts:

For full time certified staff participating in the WCVSD Teacher's Association Master Agreement the Board paid \$971.61 for a family plan, \$699.18 for an employee and kids plan, or \$377.98 for single coverage. For all other full time staff (certified and classified) the Board paid \$968.94 for a family plan, \$697.26 for an employee and kids plan, or \$377.98 for single coverage per month, which represents eighty-five percent of the premium required.

The School District paid \$5.40 to Ft. Dearborn Life Insurance Company. The School District paid \$14.36 for family coverage and \$6.16 for single coverage per month to EPC Vision Benefit Plan, which presents eighty-five percent of the premium required.

**WARREN COUNTY VOCATIONAL SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2011**

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**NOTE 9 - RISK MANAGEMENT** (continued)

Dental insurance was provided by Dental Care Plus and the District paid \$79.08 for family coverage and \$27.26 for single coverage for the in-network (HMO), which represents 85% of the total premium. For the Indemnity Coverage (out of network), the District paid \$88.57 for a family plan and \$30.53 for a single plan.

**NOTE 10 - DEFINED BENEFIT PENSION PLANS**

A. School Employee Retirement System

Plan Description - The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2011, 11.81 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2011, 2010, and 2009 were \$178,497, \$197,709, and \$130,153 respectively; 92 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

**WARREN COUNTY VOCATIONAL SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2011**

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**NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)**

B. State Teachers Retirement System

Plan Description - The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For the fiscal year ended June 30, 2011, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2011, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

**WARREN COUNTY VOCATIONAL SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2011**

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**NOTE 10 - DEFINED BENEFIT PENSION PLANS** (continued)

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2011, 2010, and 2009 were \$972,951, \$889,007, and \$929,446 respectively; 92 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009. Contributions to the DC and Combined Plans for fiscal year 2011 were \$94,045 made by the School District and \$67,265 made by the plan members.

**NOTE 11 – POSTEMPLOYMENT BENEFITS**

A. School Employee Retirement System

Plan Description – The School District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2011, 1.43 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2011, this amount was \$24,197.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The School District's contributions for health care for the fiscal years ended June 30, 2011, 2010, and 2009 were \$45,807, \$39,305, and \$84,390 respectively; 92 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2011, this actuarially required allocation was 0.76 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal year ended June 30, 2011, 2010, and 2009 were \$11,487, \$11,757, and \$9,450 respectively, 92 percent has been contributed for fiscal year 2011 with 100% for fiscal year 2010 and 2009.

**WARREN COUNTY VOCATIONAL SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2011**

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**NOTE 11 – POSTEMPLOYMENT BENEFITS (continued)**

**B. State Teachers Retirement System**

Plan Description – The School District contributes to the cost sharing multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians’ fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2011, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School District’s contributions for health care for the fiscal years ended June 30, 2011, 2010, and 2009 were \$74,842, \$68,385, and \$71,496 respectively; 92 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

**NOTE 12 - COMPENSATED ABSENCES**

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and State laws. Eligible classified employees may earn up to ten to twenty days of vacation per year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 240 days. Upon retirement, payment shall be made for accrued but unused sick days on the basis of 25 percent of member’s actual accumulated sick leave days to a maximum of 60 days.

**WARREN COUNTY VOCATIONAL SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 13 - CAPITALIZED LEASES - LESSEE DISCLOSURE**

For 2011, the District entered into a capital lease for copiers totaling \$86,486. In prior years, the District entered into capitalized leases for the acquisition of CAT equipment for \$800,000. The terms of the one agreement provides an option to purchase the equipment. The leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, Accounting for Leases, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis. Principal payments in fiscal year 2011 totaled \$92,298 and interest payments of \$4,764.

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2011:

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>
2012	\$50,032
2013	18,705
2014	18,705
2015	18,705
2016	<u>10,911</u>
Total	117,058
Less: Amount Representing Interest	<u>(6,350)</u>
Present Value of Net Minimum Lease Payments	<u><u>\$110,708</u></u>

<u>Fiscal Year Ending June 30,</u>	<u>Capital Leases Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$47,373	\$2,659	\$50,032
2013	16,969	1,736	18,705
2014	17,506	1,199	18,705
2015	18,061	644	18,705
2016	<u>10,799</u>	<u>112</u>	<u>10,911</u>
Totals	<u><u>\$110,708</u></u>	<u><u>\$6,350</u></u>	<u><u>\$117,058</u></u>

**WARREN COUNTY VOCATIONAL SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 14 - LONG-TERM LIABILITIES**

The changes in the School District’s long-term obligations (non-current liabilities) during the year consist of the following:

	Obligation Outstanding <u>June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	Obligation Outstanding <u>June 30, 2011</u>	Amounts Due in <u>One Year</u>
<b>Governmental Activities</b>					
Certificates of Participation	\$6,585,000	\$0	\$380,000	\$6,205,000	\$390,000
Premium	52,364	0	3,879	48,485	0
Energy Conservation Notes	0	881,000	0	881,000	71,000
Compensated Absences	528,644	496,222	565,461	459,405	249,067
Capital Leases Payable	116,520	86,486	92,298	110,708	47,373
Total Governmental	<u>\$7,282,528</u>	<u>\$1,463,708</u>	<u>\$1,041,638</u>	<u>\$7,704,598</u>	<u>\$757,440</u>

*Certificates of Participation Notes* - On February 3, 2009, the School District issued \$7,000,000 in certificates of participation notes for the purpose of renovating the current building and related increased capacity. The notes were issued for a fifteen year period with a final maturity of December 1, 2023. The notes will be retired from the permanent improvement fund and pay interest at rates ranging from 2.00% to 4.35%.

*Energy Conservation Notes* – On September 8, 2010, the School District issued \$881,000 in energy conservation notes under the Qualified School Construction Bond program that will rebate one hundred percent of the interest costs from the Federal government. The notes were issue for a twelve year period with a final maturity of December 1, 2022. The notes will be retired from the general fund and used for updating various lighting and other electrical items throughout the school.

The School District's overall legal debt margin was \$339,543,954 with an energy conservation debt margin of \$33,161,495 and an unvoted debt margin of \$3,782,499 at June 30, 2011.

Compensated absences will be paid from the fund from which the person is paid which is typically the General Fund. Capital leases will be paid from the General fund, Adult Education and Vocational Education special revenue funds.

**WARREN COUNTY VOCATIONAL SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 14 - LONG-TERM LIABILITIES** (continued)

Fiscal Year Ending June 30,	Certificates of Participation		
	Principal	Interest	Total
2012	\$390,000	\$220,165	\$610,165
2013	400,000	209,790	609,790
2014	415,000	198,065	613,065
2015	425,000	185,465	610,465
2016	440,000	171,940	611,940
2017-2021	2,430,000	605,419	3,035,419
2022-2024	1,705,000	111,456	1,816,456
<b>Totals</b>	<b>\$6,205,000</b>	<b>\$1,702,300</b>	<b>\$7,907,300</b>

Fiscal Year Ending June 30,	Energy Conservation Notes		
	Principal	Interest	Total
2012	\$71,000	\$40,584	\$111,584
2013	70,000	37,200	107,200
2014	70,000	33,840	103,840
2015	70,000	30,480	100,480
2016	75,000	27,000	102,000
2017-2021	375,000	81,000	456,000
2022-2023	150,000	7,200	157,200
<b>Totals</b>	<b>\$881,000</b>	<b>\$257,304</b>	<b>\$1,138,304</b>

**NOTE 15 - INTERFUND TRANSACTIONS**

Interfund balances at June 30, 2011, consist of the following individual receivables and payables and operating transfers in the governmental and proprietary fund balance sheets (such amounts are removed from consolidated columns in the statement of net assets):

	Interfund Receivable	Interfund Payable	Transfers In	Transfers Out
General Fund	\$76,302	\$0	\$0	\$1,061,033
Adult Education	0	73,546	177,449	0
Permanent Improvement	13,158	0	859,790	0
Customer Service	0	2,418	0	0
Nonmajor Funds:				
Special Revenue	0	13,496	23,794	0
<b>Total All Funds</b>	<b>\$89,460</b>	<b>\$89,460</b>	<b>\$1,061,033</b>	<b>\$1,061,033</b>

**WARREN COUNTY VOCATIONAL SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2011**

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**NOTE 15 - INTERFUND TRANSACTIONS** (continued)

The interfund payables are expected to be repaid within one year. The School District is currently evaluating the user charges in adult education major fund to bring revenue generation in line with expenditures. The transfers are routine in nature with the majority of the money being transferred to the permanent improvement capital projects fund for the School District's share of the roof replacement cost and preparation for School District's contribution to new building program.

**NOTE 16 - JOINTLY GOVERNED ORGANIZATION**

The School District is a participant in the Southwest Ohio Computer Association (SWOCA), which is a computer consortium. SWOCA is an association of public schools and educational service centers within the boundaries of Butler, Preble, and Warren Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of SWOCA consists of the superintendent (or the superintendent's designee) from each member district. The School District paid \$33,115 for services provided during the fiscal year. Financial information can be obtained from the fiscal agent, Butler County JVS, 3603 Hamilton-Middletown Road, Hamilton, Ohio 45011.

The School District is a participant in the Jewell Education Foundation, which is a jointly governed educational foundation established to benefit the school districts in Warren County. The Foundation was created to promote and assist in funding through soliciting grants and charitable contributions for distributions to member educational institutions of participating school districts. The governing board is made up of the Warren County Vocational School District superintendent, one member of the Warren County Vocational School District Board of Education, not on the current board, and one member submitted by each participating school district. The district made no financial contribution to the Foundation. Financial information can be obtained from the Director of Planned Giving, Rick Wood, at P. O. Box 854, Lebanon, Ohio 45036.

**NOTE 17 - INSURANCE PURCHASING POOL**

The School District participates in the Ohio School Boards Association (OSBA) Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the plan. The School District paid \$1,340 during 2011 to participate in the pool.

**WARREN COUNTY VOCATIONAL SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 18 - STATUTORY RESERVES**

As stated in H.B. 412, the School District is required to maintain through reserves; one for textbooks and one for capital acquisitions. A reserve represents resources whose use is limited because of contractual or statutory restrictions.

	Textbooks	Capital Acquisition	Totals
Set-aside Carryover Balance as of June 30, 2010	(\$3,659,793)	\$0	(\$3,659,793)
Current Year Set-aside Requirement	150,420	150,420	300,840
Offsets	0	(859,790)	(859,790)
Qualifying Disbursements	(356,341)	(1,540,939)	(1,897,280)
<b>Total</b>	<b>(\$3,865,714)</b>	<b>(\$2,250,309)</b>	<b>(\$6,116,023)</b>

Although the School District had qualifying disbursements during the year that reduced the capital acquisition and textbook set-aside amounts to below zero, neither of the amounts are carried forward to the next fiscal year. For fiscal year 2012, the house bill passed removed the requirement to calculate this amount further. For the capital acquisition set aside, the School District will need to set aside the calculated amount and spend the money down from a specific fund. Once those funds are spent then no more is required to be spent from that fund.

**NOTE 19 – FUND BALANCE ALLOCATION**

The School District has chosen to present to the consolidated summary of fund balance classification on the financial statements. The detail of those fund balance classifications are outlined below:

Fund Balances:	General	Adult Education	Permanent Improvement	Non-Major Funds
Nonspendable:				
Inventory	\$90,234	\$0	\$0	\$4,591
Restricted for:				
Note proceeds	22,723	0	11,078	0
Capital Improvements	0	0	0	261,262
Contributor restrictions	0	0	0	10,077
Federal Grants	0	0	0	8,544
Assigned to:				
Adult Education	0	825,332	0	0
Budgetary Encumbrances	489,714	0	0	0
Capital Improvements	0	0	954,055	0
Local Grants	0	0	0	1,826
Unassigned:	11,287,571	0	0	(20,841)
<b>Total Fund Balances</b>	<b>\$11,890,242</b>	<b>\$825,332</b>	<b>\$965,133</b>	<b>\$265,459</b>

WARREN COUNTY VOCATIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2011

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**NOTE 20 - CONTINGENCIES**

Grants:

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2011.

Litigation:

As of June 30, 2011, the School District did not have any pending litigation.

**NOTE 21 – CHANGE IN ACCOUNTING PRINCIPAL AND PRIOR PERIOD ADJUSTMENT**

Prior Period Adjustment

The School District reported a contract payable for activity related to the energy conservation notes during fiscal year 2010. The original expenditure was reported in the Permanent Improvement capital projects fund but after additional review by the School District the money was changed on a cash basis to be expended from the general fund. The impact of this reclassification is detailed in the table below.

Change in Accounting Principle

The School District early implemented GASB 54, *Fund Balance Reporting and Governmental Fund Definitions*, during fiscal year 2010. The School District evaluated the classification of funds and successfully completed the audit process. For the current year, the Auditor of State has issued a technical bulletin that addresses the classification of funds under GASB 54. Several of the School District's funds are required, per the bulletin, to be mapped into the General fund. The impact of that Auditor of State guidance is detailed in the table below.

	General	Permanent Improvement	Non-Major Funds
Fund Balance, June 30, 2010	\$10,058,880	\$683,458	\$261,284
Contract Payable change	(381,757)	381,757	0
AOS Bulletin reclassification	(9,367)	0	9,367
Restated Fund Balance, June 30, 2010	<u>\$9,667,756</u>	<u>\$1,065,215</u>	<u>\$270,651</u>

WARREN COUNTY VOCATIONAL SCHOOL DISTRICT  
WARREN COUNTY

FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2011

Federal Grantor, Pass-Through Grantor, Program Title/Name	Grant Year	CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>						
Passed Through Ohio Department of Education:						
<u>Child Nutrition Cluster:</u>						
Non-Cash Assistance (Food Distribution):						
School Breakfast Program	2011	10.553		\$ 908		\$ 908
National School Lunch Program	2011	10.555		12,988		13,160
Cash Assistance:						
School Breakfast Program	2011	10.553	\$ 21,664		\$ 21,664	
National School Lunch Program	2011	10.555	96,383		96,383	
Total Child Nutrition Cluster			<u>118,047</u>	<u>13,896</u>	<u>118,047</u>	<u>14,068</u>
<b>Total U.S. Department of Agriculture</b>			<b><u>118,047</u></b>	<b><u>13,896</u></b>	<b><u>118,047</u></b>	<b><u>14,068</u></b>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>						
<u>Student Financial Aid Cluster:</u>						
Federal Pell Grant Program	2011	84.063	470,618	0	470,618	0
Direct Loan Program	2011	84.268	937,863	0	937,863	0
Total Student Financial Aid Cluster			<u>1,408,481</u>	<u>0</u>	<u>1,408,481</u>	<u>0</u>
Passed Through Ohio Department of Education:						
Adult Education - Basic Grants to States						
Adult Education - Basic Grants to States	2010	84.002	728	0	728	0
Adult Education - Basic Grants to States	2011	84.002	84,091	0	84,091	0
Adult Education - Basic Grants to States (Innovation Grant)	2010	84.002	162,651		161,666	
Total CFDA Number 84.002			<u>247,470</u>	<u>0</u>	<u>246,485</u>	<u>0</u>
Special Education_Grants to States	2011	84.027	1,600	0	0	0
Improving Teacher Quality State Grants	2011	84.367	6,819	0	6,819	0
Career & Technical Education_Basic Grants to States	2011	84.048	261,563	0	261,563	0
Passed Through Butler Technology and Career Development:						
Career & Technical Education_Basic Grants to States	2011	84.048	94,398	0	94,398	0
Total CFDA Number 84.048			<u>355,961</u>	<u>0</u>	<u>355,961</u>	<u>0</u>
<b>Total U.S. Department of Education</b>			<b><u>2,020,331</u></b>	<b><u>0</u></b>	<b><u>2,017,746</u></b>	<b><u>0</u></b>
<b><u>U.S. DEPARTMENT OF COMMERCE</u></b>						
Passed Through Connect Ohio:						
ARRA-State Broadband Data and Development Grant Program	2011	11.558	10,560	0	10,560	0
<b>Total U.S. Department of Commerce</b>			<b><u>10,560</u></b>	<b><u>0</u></b>	<b><u>10,560</u></b>	<b><u>0</u></b>
<b>Total Federal Assistance</b>			<b><u>\$2,148,938</u></b>	<b><u>\$13,896</u></b>	<b><u>\$2,146,353</u></b>	<b><u>\$14,068</u></b>

The accompanying notes to this schedule are an integral part of this schedule.

**WARREN COUNTY VOCATIONAL SCHOOL DISTRICT  
WARREN COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Federal Awards Receipts and Expenditures Schedule (the Schedule) reports the Warren County Vocational School District's (the School District's) federal award programs' receipts and disbursements. The schedule has been prepared on the cash basis of accounting.

**NOTE B - CHILD NUTRITION CLUSTER**

The School District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the School District assumes it expends federal monies first.

**NOTE C – FOOD DONATION PROGRAM**

The School District reports commodities consumed on the Schedule at the fair value. The School District allocated donated food commodities to the respective programs that benefitted from the use of those donated food commodities.



# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Warren County Vocational School District  
Warren County  
3529 N. State Route 48  
Lebanon, Ohio 45036

To the Board of Education:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Warren County Vocational School District, Warren County, Ohio (the School District), as of and for the year ended June 30, 2011, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 2, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the School District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the School District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### Compliance and Other Matters

As part of reasonably assuring whether the School District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Corporate Centre of Blue Ash, 11117 Kenwood Road, Blue Ash, Ohio 45242  
Phone: 513-361-8550 or 800-368-7419 Fax: 513-361-8577

[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

Warren County Vocational School District  
Warren County  
Independent Accountants' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

We intend this report solely for the information and use of management, the audit committee, Board of Education, and federal awarding agencies and pass-through entities and others within the School District. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

December 2, 2011



# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Warren County Vocational School District  
Warren County  
3529 N. State Route 48  
Lebanon, Ohio 45036

To the Board of Education:

### Compliance

We have audited the compliance of Warren County Vocational School District, Warren County, Ohio (the School District), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the School District's major federal programs for the year ended June 30, 2011. The summary of auditor's results section of the accompanying schedule of findings identifies the School District's major federal programs. The School District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School District's compliance with those requirements.

In our opinion, the Warren County Vocational School District complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2011.

### Internal Control Over Compliance

The School District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School District's internal control over compliance with requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the School District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

We intend this report solely for the information and use of the audit committee, management, Board of Education, others within the entity, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "Y" and "O".

**Dave Yost**  
Auditor of State

December 2, 2011

**WARREN COUNTY VOCATIONAL SCHOOL DISTRICT  
WARREN COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2011**

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	Unqualified
<i>(d)(1)(ii)</i>	<b>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(ii)</i>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iii)</i>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<i>(d)(1)(v)</i>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<i>(d)(1)(vi)</i>	<b>Are there any reportable findings under § .510(a)?</b>	No
<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	Student Financial Aid Cluster CFDA# 84.063, 84.268 Vocational Education Basic Grants to States CFDA# 84.048
<i>(d)(1)(viii)</i>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	<b>Low Risk Auditee?</b>	Yes

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.

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WARREN COUNTY VOCATIONAL SCHOOL DISTRICT  
WARREN COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A -133 § .315 (b)  
JUNE 30, 2011

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2010-01	Improper classification of equity amounts the financial statements	Yes	

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURE

Warren County Vocational School District  
Warren County  
3529 N. State Route 48  
Lebanon, Ohio 45036

To the Board of Education:

Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedure enumerated below, which was agreed to by the Board, solely to assist the Board in evaluating whether the Warren County Vocational School District (the School District) has updated its anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of this procedure is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board amended its anti-harassment policy at its meeting on April 15, 2010 to include violence within a dating relationship within its definition of harassment, intimidation or bullying.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Dave Yost".

**Dave Yost**  
Auditor of State

December 2, 2011

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# Dave Yost • Auditor of State

WARREN COUNTY VOCATIONAL SCHOOL DISTRICT

WARREN COUNTY

## CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
DECEMBER 22, 2011

WARREN COUNTY CAREER CENTER  
 Expense Appropriation Work Sheet  
 SORTED BY FUND-SCC/OBJ

Account Number	FUND	FUNC	OBJ	SCC	SUBJ	OU	IL	JOB	FYTD Appropriated	Prior FY Carryover Encumbrances	FYTD Expendable	FYTD Actual Expended	FYTD Percent Expended	Next Year Proposed	Prior Year Actual Expended
001 7200 900 0000 000000 000 00 000									1084,000.00	0.00	1084,000.00	788,500.00	72.74		FY11: 1061,032.99 FY10: 1103,571.04 FY09: 768,021.48
TRANSFERS															
001 7400 900 0000 000000 000 00 000									400,000.00	0.00	400,000.00	377,400.00	94.35		FY11: 419,315.91 FY10: 275,206.82 FY09: 516,317.84
ADVANCES															
TOTAL FOR OBJ 900:									1484000.00	0.00	1484000.00	1165900.00	78.56	0.00	FY11: 1480,348.90 FY10: 1378,777.86 FY09: 1284,339.32
TOTAL FOR FUND-SCC 001 0000:															
Excluding Transfers/Advances									13389918.16	560,744.33	13950662.49	7832556.01	56.14	0.00	FY11: 12900,992.05 FY10: 12028,932.37 FY09: 11907,168.61
Including Transfers/Advances									14873918.16	560,744.33	15434662.49	8998456.01	58.30	0.00	FY11: 14381,340.95 FY10: 13407,710.23 FY09: 13191,507.93
GRAND TOTALS:															
Excluding Transfers/Advances									13389918.16	560,744.33	13950662.49	7832556.01	56.14	0.00	FY11: 12900,992.05 FY10: 12028,932.37 FY09: 11907,168.61
Including Transfers/Advances									14873918.16	560,744.33	15434662.49	8998456.01	58.30	0.00	FY11: 14381,340.95 FY10: 13407,710.23 FY09: 13191,507.93

Originator's signature \_\_\_\_\_

Date submitted \_\_\_\_\_

Principal's signature \_\_\_\_\_

Date reviewed \_\_\_\_\_

Central Admin. signature \_\_\_\_\_

Date approved \_\_\_\_\_

WARREN COUNTY CAREER CENTER  
 Expense Appropriation Work Sheet  
 SORTED BY FUND-SCC/OBJ

Account Number	FUND	FUNC	OBJ	SCC	SUBJ	OU	IL	JOB	FYTD Appropriated	Prior FY Carryover Encumbrances	FYTD Expendable	FYTD Actual Expended	FYTD Percent Expended	Next Year Proposed	Prior Year Actual Expended
001 1200 100 0000 000000 000 00 000									130,742.00	0.00	130,742.00	86,886.09	66.46		
GENERAL DEVELOPMENTAL HANDICAP REGULAR SAL-CE															
FY11: 126,245.17															
FY10: 122,312.45															
FY09: 117,629.18															
001 1300 100 0000 000000 000 00 000									4515,823.00	13,365.87	4529,188.87	2982,306.29	65.85		
VOCATIONAL INSTRUCTORS															
FY11: 4669,769.70															
FY10: 4593,945.30															
FY09: 4421,995.11															
001 2100 100 0000 000000 000 00 000									992,127.74	0.00	992,127.74	393,492.61	39.66		
SALARIES SUPPORT SERVICES															
FY11: 633,347.10															
FY10: 653,374.63															
FY09: 638,877.33															
001 2200 100 0000 000000 000 00 000									220,591.00	0.00	220,591.00	161,265.75	73.11		
SALARIES SUPPORT SERVICES SUPERVISORY															
FY11: 216,673.93															
FY10: 231,660.29															
FY09: 224,072.29															
001 2300 100 0000 000000 000 00 000									18,000.00	0.00	18,000.00	7,375.00	40.97		
BD. EDUCATION EMPLOYEES SALARIES & WAGES															
FY11: 10,875.00															
FY10: 13,000.00															
FY09: 15,375.00															
001 2400 100 0000 000000 000 00 000									780,699.00	0.00	780,699.00	433,047.27	55.47		
SALARIES ADMINISTRATIVE															
FY11: 591,065.40															
FY10: 594,957.56															
FY09: 621,399.76															
001 2500 100 0000 000000 000 00 000									250,604.00	0.00	250,604.00	182,612.78	72.87		
SALARIES - TREASURER															
FY11: 250,865.52															
FY10: 251,041.77															
FY09: 247,639.96															
001 2600 100 0000 000000 000 00 000									45,763.00	0.00	45,763.00	0.00	0.00		
SALARIES - WAREHOUSE/PRINTING															
FY11: 45,775.44															
FY10: 44,097.20															
FY09: 41,660.00															
001 2700 100 0000 000000 000 00 000									474,600.00	0.00	474,600.00	301,995.65	63.63		
GENERAL OPERATION/MAINT OF PLANT PERSONAL SER															
FY11: 417,867.72															
FY10: 427,691.84															
FY09: 422,375.59															
001 2800 100 0000 000000 000 00 000									57,900.00	0.00	57,900.00	26,317.90	45.45		
BUS - SALARIES															
FY11: 52,611.61															
FY10: 60,270.15															
FY09: 71,258.71															
001 2900 100 0000 000000 000 00 000									289,608.00	0.00	289,608.00	192,948.24	66.62		
SALARIES - TECHNOLOGY COORDINATOR															
FY11: 278,705.52															
FY10: 273,392.20															
FY09: 260,921.89															
001 3900 100 0000 000000 000 00 000									6,000.00	0.00	6,000.00	0.00	0.00		
GENERAL OTHER OPER OF NON-INSTRUC PERSONAL SE															
FY11: 2,250.00															
FY10: 3,437.50															
FY09: 3,812.50															

WARREN COUNTY CAREER CENTER  
 Expense Appropriation Work Sheet  
 SORTED BY FUND-SCC/OBJ

Account Number		FUND FUNC OBJ SCC SUBJ		OU	IL	JOB	FYTD	Prior FY	FYTD	FYTD	FYTD	Next	Prior Year	
Description							Appropriated	Carryover	Expendable	Actual	Percent	Year	Actual	
								Encumbrances		Expended	Expended	Proposed	Expended	
001	4300	100	0000	000000	000	00	000	30,800.00	0.00	30,800.00	5,929.50	19.25		
GENERAL OCCUP ORIENTED ACTIVITY REGULAR SAL-C														
													FY11: 21,249.34	
													FY10: 27,621.09	
													FY09: 21,566.03	
TOTAL FOR OBJ 100:														
							7813257.74	13,365.87	7826623.61	4774177.08	61.00	0.00		FY11: 7317,301.45
													FY10: 7296,801.98	
													FY09: 7108,583.35	

WARREN COUNTY CAREER CENTER  
 Expense Appropriation Work Sheet  
 SORTED BY FUND-SCC/OBJ

Account Number	FUND	FUNC	OBJ	SCC	SUBJ	OU	IL	JOB	FYTD	Prior FY	FYTD	FYTD	FYTD	Next	Prior Year
Description									Appropriated	Carryover	Expendable	Actual	Percent	Year	Actual
										Encumbrances		Expended	Expended	Proposed	Expended
001 1200 200 0000 000000 000 00 000									33,450.00	0.00	33,450.00	20,779.73	62.12		
SPEC. INST.-EMPL. RETIRE. & INSUR. BENEFITS															
														FY11:	30,852.04
														FY10:	29,542.53
														FY09:	28,852.42
001 1300 200 0000 000000 000 00 000									1465,574.00	3,528.35	1469,102.35	899,413.03	61.22		
RETIREMENT/INSURANCE BENEFITS															
														FY11:	1416,012.81
														FY10:	1391,169.78
														FY09:	1306,298.54
001 2100 200 0000 000000 000 00 000									258,533.00	0.00	258,533.00	134,240.70	51.92		
BENEFITS SUPPORT SERVICES															
														FY11:	209,862.61
														FY10:	208,137.69
														FY09:	201,668.37
001 2200 200 0000 000000 000 00 000									126,508.00	0.00	126,508.00	40,877.37	32.31		
BENEFITS SUPERVISORY SERVICES															
														FY11:	60,494.66
														FY10:	65,680.94
														FY09:	62,220.73
001 2300 200 0000 000000 000 00 000									3,120.00	0.00	3,120.00	1,055.66	33.84		
MEDICARE - BOARD OF ED															
														FY11:	1,517.78
														FY10:	1,806.01
														FY09:	2,072.72
001 2400 200 0000 000000 000 00 000									267,787.42	0.00	267,787.42	165,247.67	61.71		
GENERAL SUPPORT SERV-ADMIN EMPLOYEES RETIRE/I															
														FY11:	223,946.38
														FY10:	216,846.05
														FY09:	207,203.21
001 2500 200 0000 000000 000 00 000									104,915.00	0.00	104,915.00	70,905.91	67.58		
FISCAL SER. EMPLOY. RETIRE. & INSUR. BENEFITS															
														FY11:	98,734.42
														FY10:	91,220.73
														FY09:	85,157.48
001 2600 200 0000 000000 000 00 000									22,071.00	0.00	22,071.00	0.00	0.00		
BENEFITS - WAREHOUSE/PRINTING															
														FY11:	20,005.49
														FY10:	18,888.06
														FY09:	17,795.18
001 2700 200 0000 000000 000 00 000									178,790.00	0.00	178,790.00	120,964.29	67.66		
MAINT. EMPLOYEES RETIRE. & INSUR. BENEFITS															
														FY11:	145,835.75
														FY10:	140,268.75
														FY09:	141,915.20
001 2800 200 0000 000000 000 00 000									19,741.00	0.00	19,741.00	6,586.69	33.37		
BUS DRIVERS RETIREMENT															
														FY11:	16,313.32
														FY10:	17,886.47
														FY09:	19,237.25
001 2900 200 0000 000000 000 00 000									91,631.00	0.00	91,631.00	63,874.26	69.71		
BENEFITS - TECHNOLOGY COORDINATOR															
														FY11:	85,762.42
														FY10:	82,605.59
														FY09:	81,978.15
001 3900 200 0000 000000 000 00 000									7,500.00	0.00	7,500.00	0.00	0.00		
GENERAL OTHER OPER OF NON-INSTRUC EMPLOYEES R															
														FY11:	1,137.34
														FY10:	4,067.59
														FY09:	5,011.81

Date: 02/29/12  
 Time: 11:15 am

WARREN COUNTY CAREER CENTER  
 Expense Appropriation Work Sheet  
 SORTED BY FUND-SCC/OBJ

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Account Number							FYTD	Prior FY	FYTD	FYTD	FYTD	Next	Prior Year
FUND	FUNC	OBJ	SCC	SUBJ	OU	IL JOB	FYTD	Carryover	FYTD	Actual	Percent	Year	Actual
Description							Appropriated	Encumbrances	Expendable	Expended	Expended	Proposed	Expended
001	4300	200	0000	000000	000	00 000	4,996.00	0.00	4,996.00	894.54	17.91		
BENEFITS													FY11: 3,386.54
													FY10: 4,319.34
													FY09: 3,289.37
TOTAL FOR OBJ 200:							2584616.42	3,528.35	2588144.77	1524839.85	58.92	0.00	FY11: 2313,861.56
													FY10: 2272,439.53
													FY09: 2162,700.43

WARREN COUNTY CAREER CENTER  
 Expense Appropriation Work Sheet  
 SORTED BY FUND-SCC/OBJ

Account Number	FUND	FUNC	OBJ	SCC	SUBJ	OU	IL	JOB	FYTD	Prior FY	FYTD	FYTD	FYTD	Next	Prior Year
Description									Appropriated	Carryover	Expendable	Actual	Percent	Year	Actual
										Encumbrances		Expended	Expended	Proposed	Expended
001 1300 400 0000 000000 000 00 000									585,200.00	25,451.71	610,651.71	278,254.66	45.57		
CAREER DEV.															
														FY11:	510,403.60
														FY10:	614,022.03
														FY09:	469,014.32
001 2100 400 0000 000000 000 00 000									11,750.00	1,084.68	12,834.68	4,168.75	32.48		
PURCHASED SERVICES SUPPORT SERVICES															
														FY11:	5,847.85
														FY10:	6,678.11
														FY09:	22,916.36
001 2200 400 0000 000000 000 00 000									38,800.00	146.48	38,946.48	18,013.66	46.25		
PURCHASED SERVICES SUPERVISORY SERVICES															
														FY11:	27,449.77
														FY10:	16,707.32
														FY09:	7,680.21
001 2300 400 0000 000000 000 00 000									2,500.00	355.00	2,855.00	1,583.92	55.48		
BD. EDUCATION SER. PURCHASED SERVICES															
														FY11:	4,522.91
														FY10:	3,774.04
														FY09:	2,997.89
001 2400 400 0000 000000 000 00 000									154,350.00	5,656.00	160,006.00	97,100.09	60.69		
TRAVEL															
														FY11:	133,352.48
														FY10:	126,115.61
														FY09:	139,277.62
001 2500 400 0000 000000 000 00 000									18,200.00	2,630.88	20,830.88	8,590.30	41.24		
FISCAL SER. PURCHASED SERVICES															
														FY11:	14,311.67
														FY10:	12,646.53
														FY09:	13,969.38
001 2700 400 0000 000000 000 00 000									536,880.00	33,355.79	570,235.79	254,376.30	44.61		
MAINT. PURCHASED SERVICES															
														FY11:	302,590.16
														FY10:	400,621.18
														FY09:	428,490.44
001 2800 400 0000 000000 000 00 000									39,257.00	2,720.00	41,977.00	29,992.66	71.45		
TRANS. PURCHASED SERVICES															
														FY11:	31,010.81
														FY10:	32,654.04
														FY09:	28,961.38
001 2900 400 0000 000000 000 00 000									252,880.00	12,662.77	265,542.77	131,507.51	49.52		
PURCHASED SERVICES - TECHNOLOGY COORDINATOR															
														FY11:	184,087.60
														FY10:	116,983.74
														FY09:	96,785.90
001 4300 400 0000 000000 000 00 000									45,000.00	5,882.11	50,882.11	8,819.88	17.33		
GENERAL OCCUP ORIENTED ACTIVITY PURCHASED SER															
														FY11:	59,009.83
														FY10:	66,798.75
														FY09:	45,265.13
001 5600 400 0000 000000 000 00 000									176,020.00	0.00	176,020.00	55,000.00	31.25		
GENERAL BLDG IMPROVEMENT PURCHASED SERV															
														FY11:	120,236.00
														FY10:	110,000.00
														FY09:	110,000.00

Date: 02/29/12  
Time: 11:15 am

WARREN COUNTY CAREER CENTER  
Expense Appropriation Work Sheet  
SORTED BY FUND-SCC/OBJ

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Account Number				Prior FY		FYTD	FYTD	Next	Prior Year
FUND FUNC OBJ SCC SUBJ	OU	IL	JOB	Carryover	FYTD	Actual	Percent	Year	Actual
Description				Encumbrances	Expendable	Expended	Expended	Proposed	Expended
TOTAL FOR OBJ 400:									
				1860837.00	89,945.42	1950782.42	887407.73 45.49	0.00	FY11: 1392,822.68 FY10: 1507,001.35 FY09: 1365,358.63



WARREN COUNTY CAREER CENTER  
 Expense Appropriation Work Sheet  
 SORTED BY FUND-SCC/OBJ

Account Number				Prior FY		FYTD	FYTD	Next	Prior Year	
FUND	FUNC	OBJ	SCC	SUBJ	OU	IL	JOB			
Description				FYTD				Year	Actual	
				Appropriated	Encumbrances	Expendable	Expended	Proposed	Expended	
TOTAL FOR OBJ 500:				480965.05	46,517.87	527482.92	285148.95	54.06	0.00	FY11: 521,717.33 FY10: 481,628.70 FY09: 495,019.69

WARREN COUNTY CAREER CENTER  
 Expense Appropriation Work Sheet  
 SORTED BY FUND-SCC/OBJ

Account Number	FUND	FUNC	OBJ	SCC	SUBJ	OU	IL	JOB	FYTD	Prior FY	FYTD	FYTD	FYTD	Next	Prior Year
Description									Appropriated	Carryover	Expendable	Actual	Percent	Year	Actual
										Encumbrances		Expended	Expended	Proposed	Expended
001 1300 600 0000 000000 000 00 000									211,879.95	1,400.00	213,279.95	123,693.95	58.00		
EQUIPMENT ALLOTMENT															
														FY11:	159,301.37
														FY10:	134,435.73
														FY09:	366,455.11
001 2100 600 0000 000000 000 00 000									4,800.00	0.00	4,800.00	0.00	0.00		
EQUIPMENT SUPPORT SERVICES															
														FY11:	219.00
														FY10:	1,524.34
														FY09:	2,381.24
001 2200 600 0000 000000 000 00 000									1,250.00	211.00	1,461.00	0.00	0.00		
EQUIPMENT SUPERVISORY SERVICES															
														FY11:	3,144.71
														FY10:	2,473.69
														FY09:	5,594.59
001 2400 600 0000 000000 000 00 000									1,430.00	0.00	1,430.00	1,159.58	81.09		
EQUIPMENT - ADMINISTRATIVE															
														FY11:	7,656.00
														FY10:	0.00
														FY09:	3,362.94
001 2500 600 0000 000000 000 00 000									1,000.00	0.00	1,000.00	10.00	1.00		
FISCAL SER. CAPITAL OUTLAY															
														FY11:	665.00
														FY10:	0.00
														FY09:	2,195.52
001 2700 600 0000 000000 000 00 000									18,500.00	0.00	18,500.00	6,283.19	33.96		
MAINT. CAPITAL OUTLAY															
														FY11:	2,721.01
														FY10:	26,845.79
														FY09:	11,790.67
001 2800 600 0000 000000 000 00 000									3,000.00	0.00	3,000.00	0.00	0.00		
GENERAL SUPPORT SERV-PUPIL TRANSPOR CAPITAL O															
														FY11:	14,198.40
														FY10:	0.00
														FY09:	0.00
001 2900 600 0000 000000 000 00 000									71,500.00	369.99	71,869.99	68,802.08	95.73		
EQUIPMENT - TECHNOLOGY COORDINATOR															
														FY11:	104,581.54
														FY10:	67,711.93
														FY09:	149,914.24
001 5200 600 0000 000000 000 00 000									3,000.00	0.00	3,000.00	0.00	0.00		
GENERAL SITE IMPROVEMENT BUILDINGS															
														FY11:	0.00
														FY10:	0.00
														FY09:	0.00
001 5600 600 0000 000000 000 00 000									0.00	404,480.00	404,480.00	22,723.00	5.62		
GENERAL BLDG IMPROVEMENT CAPITAL OUTLAY															
														FY11:	840,182.00
														FY10:	9,032.00
														FY09:	8,789.45
TOTAL FOR OBJ 600:									316359.95	406,460.99	722820.94	222671.80	30.81	0.00	
														FY11:	1132,669.03
														FY10:	242,023.48
														FY09:	550,483.76

WARREN COUNTY CAREER CENTER  
 Expense Appropriation Work Sheet  
 SORTED BY FUND-SCC/OBJ

Account Number	FUND	FUNC	OBJ	SCC	SUBJ	OU	IL	JOB	FYTD Appropriated	Prior FY Carryover Encumbrances	FYTD Expendable	FYTD Actual Expended	FYTD Percent Expended	Next Year Proposed	Prior Year Actual Expended
001 1300 800 0000 000000 000 00 000									25,300.00	0.00	25,300.00	7,014.40	27.72		
CAREER DEV. 15% MATCH FY 94-95															
FY11: 20,828.67															
FY10: 26,355.60															
FY09: 15,631.85															
001 2200 800 0000 000000 000 00 000									600.00	0.00	600.00	314.00	52.33		
GENERAL SUPP SERV-INSTRUCT STAFF MISCELLANEOU															
FY11: 574.00															
FY10: 364.00															
FY09: 364.00															
001 2300 800 0000 000000 000 00 000									4,100.00	0.00	4,100.00	3,524.00	85.95		
BD. EDUCATION SER. OTHER OBJECTS															
FY11: 540.00															
FY10: 395.00															
FY09: 623.00															
001 2400 800 0000 000000 000 00 000									32,623.00	160.00	32,783.00	16,858.82	51.43		
OTHER - ADMINISTRATIVE															
FY11: 25,827.70															
FY10: 50,124.65															
FY09: 32,409.48															
001 2500 800 0000 000000 000 00 000									148,150.00	199.00	148,349.00	79,668.11	53.70		
FISCAL SER. OTHER OBJECTS															
FY11: 133,463.37															
FY10: 141,885.75															
FY09: 166,651.91															
001 2700 800 0000 000000 000 00 000									125.00	0.00	125.00	90.00	72.00		
MAINT. OTHER OBJECTS															
FY11: 90.00															
FY10: 90.00															
FY09: 90.00															
001 2900 800 0000 000000 000 00 000									2,400.00	0.00	2,400.00	1,720.20	71.68		
GENERAL INFORMATION SERVICE MEMBRSHP FEES-PRO															
FY11: 1,922.50															
FY10: 1,838.50															
FY09: 2,364.80															
001 3100 800 0000 000000 000 00 000									9,000.00	566.83	9,566.83	7,977.07	83.38		
PUBLIC PURPOSE FUND															
FY11: 8,480.03															
FY10: 7,983.83															
FY09: 6,887.71															
TOTAL FOR OBJ 800:									222298.00	925.83	223223.83	117166.60	52.49	0.00	
FY11: 191,726.27															
FY10: 229,037.33															
FY09: 225,022.75															

Date: 02/29/12  
 Time: 11:15 am

WARREN COUNTY CAREER CENTER  
 Expense Appropriation Work Sheet  
 SORTED BY FUND-SCC/OBJ

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Account Number							FYTD	Prior FY	FYTD	FYTD	FYTD	Next	Prior Year	
FUND	FUNC	OBJ	SCC	SUBJ	OU	IL JOB	FYTD	Carryover	FYTD	Actual	Percent	Year	Actual	
Description							Appropriated	Encumbrances	Expendable	Expended	Expended	Proposed	Expended	
001	6100	810	0000	000000	000	00 000	71,000.00	0.00	71,000.00	0.00	0.00		0.00	
GENERAL REPAYMENT OF DEBT REDEMPTION OF PRINC													FY11:	0.00
													FY10:	0.00
													FY09:	0.00
TOTAL FOR OBJ 810:							71000.00	0.00	71000.00	0.00	0.00	0.00	FY11:	0.00
													FY10:	0.00
													FY09:	0.00

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WARREN COUNTY CAREER CENTER  
 Expense Appropriation Work Sheet  
 SORTED BY FUND-SCC/OBJ

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Account Number							FYTD	Prior FY	FYTD	FYTD	FYTD	Next	Prior Year	
FUND	FUNC	OBJ	SCC	SUBJ	OU	IL JOB	Appropriated	Carryover	Expendable	Actual	Percent	Year	Actual	
Description								Encumbrances		Expended	Expended	Proposed	Expended	
001	6100	820	0000	000000	000	00 000	40,584.00	0.00	40,584.00	21,144.00	52.10			
GENERAL REPAYMENT OF DEBT INTEREST													FY11:	30,893.73
													FY10:	0.00
													FY09:	0.00
TOTAL FOR OBJ 820:														
							40584.00	0.00	40584.00	21144.00	52.10	0.00	FY11:	30,893.73
													FY10:	0.00
													FY09:	0.00

# Local Government Innovation Fund Program

*Application Scoring*

<b>Lead Applicant</b>	Warren County Career Center
<b>Project Name</b>	Greentree Health Science Initiative

<input checked="" type="checkbox"/>	<b>Grant Application</b>
-------------------------------------	--------------------------

or

<input type="checkbox"/>	<b>Loan Application</b>
--------------------------	-------------------------

The Local Government Innovation Fund Council  
77 South High Street  
P.O. Box 1001  
Columbus, Ohio 43216-1001  
(614) 995-2292

## Local Government Innovation Fund Project Scoring Sheet

### Section 1: Financing Measures

Financing Measures	Description	Criteria	Max Points	Applicant Self Score	Validated Score
Financial Information	Applicant includes financial information (i.e., service related operating budgets) for the most recent three years and the three year period following the project. The financial information must be directly related to the scope of the project and will be used as the cost basis for determining any savings resulting from the project.	Applicant provides a thorough, detailed and complete financial information	5	<input checked="" type="radio"/>	
		Applicant provided more than minimum requirements but did not provide additional justification or support	3	<input type="radio"/>	
		Applicant provided minimal financial information	1	<input type="radio"/>	
		<b>Points</b>			5
Repayment Structure (Loan Only)	Applicant demonstrates a viable repayment source to support loan award. Secondary source can be in the form of a debt reserve, bank participation, a guarantee from a local entity, or other collateral (i.e., emergency rainy day, or contingency fund, etc.).	Applicant clearly demonstrates a secondary repayment source.	5	<input type="radio"/>	
		Applicant does not have a secondary repayment source.	0	<input type="radio"/>	
		<b>Points</b>		0	0
Local Match	Percentage of local matching funds being contributed to the project. This may include in-kind contributions.	70% or greater	5	<input type="radio"/>	
		40-69.99%	3	<input type="radio"/>	
		10-39.99%	1	<input checked="" type="radio"/>	
		<b>Points</b>			1
<b>Total Section Points</b>				6	0

### Section 2: Collaborative Measures

Collaborative Measures	Description	Criteria	Max Points	Applicant Self Score	Validated Score
Population	Applicant's population (or the population of the area(s) served) falls within one of the listed categories as determined by the U.S. Census Bureau. Population scoring will be determined by the <b>smallest</b> population listed in the application. Applications from (or collaborating with) small communities are preferred.	Applicant (or collaborative partner) is not a county and has a population of less than 20,000 residents	5	<input type="radio"/>	
		Applicant (or collaborative partner) is a county but has less than 235,000	5	<input type="radio"/>	
		Applicant (or collaborative partner) is not a county but has a population 20,001 or greater.	3	<input checked="" type="radio"/>	
		Applicant (or collaborative partner) is a county with a population of 235,001 residents or more	3	<input type="radio"/>	
		<b>Points</b>			0
Participating Entities	Applicant has executed partnership agreements outlining all collaborative partners and participation agreements and has resolutions of support. (Note: Sole applicants only need to provide a resolution of support from its governing entity.)	More than one applicant	5	<input checked="" type="radio"/>	
		Single applicant	1	<input type="radio"/>	
		<b>Points</b>			5
<b>Total Section Points</b>				5	0

## Local Government Innovation Fund Project Scoring Sheet

### Section 3: Success Measures

Success Measures	Description	Criteria	Points	Applicant Self Score	Validated Score
Expected Return	<i>Applicant demonstrates as a percentage of savings (i.e., actual savings, increased revenue, or cost avoidance) an expected return. The return must be derived from the applicant's cost basis. The expected return is ranked in one of the following percentage categories:</i>	75% or greater	30	<input type="radio"/>	
		25.01% to 74.99%	20	<input checked="" type="radio"/>	
		Less than 25%	10	<input type="radio"/>	
		<b>Points</b>		20	0
Past Success	<i>Applicant has successfully implemented, or is following project guidance from a shared services model, for an efficiency, shared service, coproduction or merger project in the past.</i>	Yes	5	<input checked="" type="radio"/>	
		No	0	<input type="radio"/>	
		<b>Points</b>		5	0
Scalable/Replicable Proposal	<i>Applicant's proposal can be replicated by other local governments or scaled for the inclusion of other local governments.</i>	The project is both scalable and replicable	10	<input checked="" type="radio"/>	
		The project is either scalable or replicable	5	<input type="radio"/>	
		Does not apply	0	<input type="radio"/>	
		<b>Points</b>		10	0
Probability of Success	<i>Applicant provides a documented need for the project and clearly outlines the likelihood of the need being met.</i>	Provided	5	<input checked="" type="radio"/>	
		Not Provided	0	<input type="radio"/>	
		<b>Points</b>		5	0
<b>Total Section Points</b>				40	0

### Section 4: Significance Measures

Significance Measures	Description	Criteria	Points Assigned	Applicant Self Score	Validated Score
Performance Audit Implementation /Cost Benchmarking	<i>The project implements a single recommendation from a performance audit provided by the Auditor of State under Chapter 117 of the Ohio Revised Code or is informed by cost benchmarking.</i>	Project implements a recommendation from an audit or is informed by benchmarking	5	<input checked="" type="radio"/>	
		Project does not implement a recommendation from an audit and is not informed by benchmarking	0	<input type="radio"/>	
		<b>Points</b>		5	0
Economic Impact	<i>Applicant demonstrates the project will promote business environment (i.e., demonstrates a business relationship resulting from the project) and will provide for community attraction (i.e., cost avoidance with respect to taxes)</i>	Applicant clearly demonstrates economic impact	5	<input checked="" type="radio"/>	
		Applicant mentions but does not prove economic impact	3	<input type="radio"/>	
		Applicant does not demonstrate an economic impact	0	<input type="radio"/>	
		<b>Points</b>		5	0
Response to Economic Demand	<i>The project responds to current substantial changes in economic demand for local or regional government services.</i>	Yes	5	<input checked="" type="radio"/>	
		No	0	<input type="radio"/>	
		<b>Points</b>		5	0
<b>Total Section Points</b>				15	0

Section 5: Council Measures			
Council Measures	Description	Criteria	Points Assigned
Council Preference	Council Ranking for Competitive Rounds	<b>The Applicant Does Not Fill Out This Section;</b> This is for the Local Government Innovation Fund Council only. The points for this section is based on the applicant demonstrating innovation or inventiveness with the project	
<b>Total Section Points (10 max)</b>			

Scoring Summary		
	Applicant Self Score	Validated Score
Section 1: Financing Measures	0	0
Section 2: Collaborative Measures	0	0
Section 3: Success Measures	40	0
Section 4: Significance Measures	15	0
<b>Total Base Points:</b>		<b>55</b>
		<b>0</b>

Reviewer Comments

**COOPERATIVE DEVELOPMENT AGREEMENT**

**FOR**

**COMMUNITY LEARNING CENTER**

**Between**

**CITY OF MIDDLETOWN, OHIO**

**and**

**BOARD OF EDUCATION**

**of the**

**WARREN COUNTY VOCATIONAL  
SCHOOL DISTRICT**

**Dated: December 9, 2010**

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Signatures

Acknowledgments

Board of Education Fiscal Officer's Certificate

City Fiscal Officer's Certificate

# **COOPERATIVE DEVELOPMENT AGREEMENT**

## **FOR**

## **COMMUNITY LEARNING CENTER**

This Cooperative Development Agreement for Community Learning Center (the "Agreement") is made and entered into as of December 9, 2010, by and between the BOARD OF EDUCATION (the "Board of Education") of the WARREN COUNTY VOCATIONAL SCHOOL DISTRICT (the "District"), a school district duly organized and validly existing under the laws of the State of Ohio, and the CITY OF MIDDLETOWN (the "City"), a municipal corporation duly organized and validly existing under its Charter and the laws of the State of Ohio, pursuant to a resolution duly adopted by the Board of Education on October 21, 2010, and Ordinance No. O2010-51 enacted by the City Council on August 3, 2010.

### **RECITALS**

A. City Council plans to authorize the issuance of bonds to provide funds for the purpose of acquiring, constructing, equipping, furnishing, acquiring interests in real property in connection therewith, improving the site thereof, and otherwise improving a community center (the "Community Learning Center"), in accordance with Section 755.16 and Chapter 133 of the Revised Code, and paying debt service and other costs relating to the financing thereof. In accordance with the ordinance authorizing the bonds, this Agreement, that Section 755.16 and Section 715.02 of the Revised Code, the Community Learning Center shall be used for governmental, civic or educational operations or recreational activities or for such other purposes as permitted by law.

B. The City, the Board of Education and Miami University will enter into a Joint Use Agreement and the Board Education and Miami University will enter into a Building Joint Operations Agreement in which they will memorialize certain agreements with respect to the Community Learning Center and facilitate their cooperation in providing for the lease purchase of the Community Learning Center and providing secondary and post-secondary education classes for health sciences at the Community Learning Center

C. The Board of Education and the City recognize that new facilities are needed for governmental, civic, educational and recreational purposes of the Middletown community and that the sharing of the proposed Community Learning Center will contribute substantially to fulfilling those needs and the purposes and functions contemplated by Section 755.16 of the Revised Code.

D. The Board of Education and the City have determined that it is necessary and appropriate to coordinate their efforts and to cooperate in the acquisition, construction, financing, operation, maintenance and use of the Community Learning Center in order to achieve cost and other efficiencies and to maximize the benefit of the provision of such facilities to all those who work and reside in the District and the City.

**NOW, THEREFORE,** in consideration of the mutual covenants and conditions herein contained and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the City and the Board of Education covenant and agree as follows:

## **ARTICLE I**

### **Definitions**

As used in this Agreement, the following terms have the following meanings as set forth in this Article unless the context clearly indicates otherwise. Terms defined in the singular have

the same meaning when used in the plural and vice versa. References to a Section or an Article shall mean a Section or an Article of this Agreement.

“Agreement” means this Cooperative Development Agreement for a Community Learning Center.

“Auxiliary-use” means use of the Community Learning Center for a governmental, civic, educational or recreational program, activity or event authorized by an Auxiliary-user.

“Auxiliary-users” means persons who use the Community Learning Center in accordance with procedures established for such use and who are not City-users or School-users, including initially Miami University.

“Board of Education” means the Board of Education of the District.

“Board of Education Representative” means the Superintendent or person(s) so designated in writing from time to time by the Board of Education.

“Bond Retirement Fund” means the Bond Retirement Fund of the City.

“Building Joint Operations Agreement” means the Joint Operations Agreement entered into by the Lessees pursuant to which the Lessees share the space in the Leased Premises and arrange for the management thereof, as the same may be amended from time to time.

“City” means the City of Middletown.

“City Council” means the City Council of the City.

“City Manager” means the City Manager of the City.

“City Representative” means the City Manager or person(s) so designated in writing from time to time by the City Manager.

“City Securities” means the “Series 2010 Bonds” means the Issuer’s \$5,000,000 General Obligation (Limited Tax) Greentree Health Sciences Academy Bonds, Series 2010A (Federally

Taxable Recovery Zone Economic Development Bonds - Direct Payment) and its \$200,000 General Obligation (Limited Tax) Greentree Health Sciences Academy Bonds, Series 2010B (Tax-Exempt Bonds) dated as of their date of issuance and any bonds, notes or other obligations issued or to be issued by the City to pay costs of the Project and to refund outstanding City Securities issued in accordance with this Agreement.

“City-use” means use of a Community Learning Center for a governmental, civic, educational or recreational program, activity or event authorized by the City.

“City-users” means persons who reside in or are employed in the City and who use the Community Learning Center pursuant to a City-use.

“CLC Land” means the land upon which the Community Learning Center is or is to be located.

“Community Learning Center” means the facilities to be acquired, constructed, operated and maintained by the Parties and the Auxiliary Users pursuant to this Agreement, together with equipment, furnishings and other appurtenances thereto and any replacements thereof, which are to be used only for governmental, civic, or educational operations or recreational activities or for such other purposes as permitted by law by Community-users, all pursuant to the terms of this Agreement and Section 755.16 of the Revised Code.

“Community-users” means Auxiliary-users, City-users and School-users.

“Construction Budget” means the construction budget for the Community Learning Center established by the City in consultation with the Board of Education and the Lessee Representatives.

“Day-to-Day Operations” means the decisions relating to the use, staffing and such other matters occurring on a regular and routine basis regarding the operation, maintenance and management of the Community Learning Center.

“Debt Charges” means the principal, including any mandatory sinking fund deposits and mandatory redemption payments, interest and any redemption premium payable on the City Securities as those payments come due and are payable.

“Design-Build Agreement” means the agreement between the City and the party with the successful proposal in the City’s request for proposal process in connection with the Project.

“Design-Build Contractor” means the Design-Build Contractor chosen pursuant to the procedures described in Section 4.3(b).

“District” means the Warren County Vocational School District, which is constituted and organized as required by the statutes of the State of Ohio.

“Facilities Plan” means City’s Facilities Plan for the Project, approved by the City on November 18, 2010, after consultation with the Board of Education and the Lessee Representatives and as it may be amended from time to time.

“Finance Director” means the Finance Director of the City.

“Ground Lease” means the ground lease from Atrium to the Issuer pursuant to which the Issuer leases the site of the Project.

“Joint Use Agreement” means the agreement among the City, the Board of Education and Miami University, pursuant to which they will memorialize certain agreements with respect to the Community Learning Center.

“Leases” means, collectively, the Leases dated as of December 9, 2010, each of which is between the City and the one of the Lessees and any future leases of the Community Learning Center between the City and a lessee.

“Lease Purchase Payments” means the payments by the Lessees under the Leases, which payments are expected to total the amounts due as principal, interest and premium on the City Securities.

“Lessee Representatives” means the persons designated from time to time by the respective officers of each of the Lessees to represent the Lessees with respect to the Community Learning Center.

“Lessees” means initially the Board of Education and Miami University.

“Limited Guarantee” means the limited Guarantee from Atrium to the Issuer pursuant to which the Atrium guarantees a portion of the bond service charges on the City Securities.

“Parties” means the City and the Board of Education.

“Project” means acquiring, constructing, equipping, furnishing, acquiring interests in real property in connection therewith, improving the site thereof, and otherwise improving a Community Learning Center, as provided in this Agreement.

“Project Construction Fund” means the Greentree Account of the ARRA Fund established by the City to account for resources supporting the Project.

“Pupils” means those persons who are, or who are permitted under Section 3313.64 of the Revised Code to be, enrolled as students of the District, including adult education students.

“Revised Code” means the Revised Code of the State.

“School-use” means a use of a Community Learning Center for a governmental, civic, educational or recreational program, activity or event authorized by the Board of Education.

“School-users” means persons who are Pupils, teachers, administration, Staff, employees, parents, volunteers and invitees of the Board of Education and who use the Community Learning Center pursuant to a School-use.

“School Year” means the term during which classes in the District are in session as determined by the Board of Education in accordance with State law, including any summer school programs offered by the Board of Education for Pupils.

“Staff” means the regularly employed full-time and part-time employees of the Lessees or a management company hired by the Lessees pursuant to the Building Joint Operations Agreement responsible for performing and/or overseeing the Day-to-Day Operations of the Community Learning Center.

“State” means the State of Ohio.

“Superintendent” means the Superintendent of Schools of the District.

“Supervision” means having on-site an adequate number of trained persons to properly oversee the activities in the portions of the Community Learning Center that are then being used.

(End of Article I)

## ARTICLE II

### Term

Section 2.1 Term of Agreement. The initial term of this Agreement shall commence on the date this Agreement is signed by the Parties and shall terminate when (i) the City Securities are no longer outstanding and (ii) the final Lease Purchase Payments are made. The term of this Agreement may be extended pursuant to Section 2.2.

Section 2.2 Renewal Provisions. The Parties may mutually agree at any time to amend this Agreement to further extend its term.

(End of Article II)

### ARTICLE III

#### Ownership

Section 3.1 Ownership of the Land. The City shall be the ground lessee of the CLC Land until (i) the City Securities are no longer outstanding and (ii) the final Lease Purchase Payments are made. The Board of Education shall, however, have all the rights of access to and use of the CLC Land during the initial term of this Agreement and any renewal or extension thereof, in accordance with this Agreement.

Section 3.2 Ownership of the Community Learning Center. The City shall be the record owner of the Community Learning Center until (i) the City Securities are no longer outstanding and (ii) the final Lease Purchase Payments are made. The City's ownership interest in the Community Learning Center may be transferred in whole or in part to some or all of the Lessees immediately upon the earlier to occur of (i) the payment in full of the City Securities and (ii) the payment in full of the Lease Purchase Payments as provided in the Leases.

(End of Article III)

## ARTICLE IV

### The Project

Section 4.1 Facilities Plan; Amendments. The plan for improvements for the Community Learning Center is set forth in the Facilities Plan, which is approved and incorporated herein. Any changes to the Facilities Plan must be approved by the City in consultation with the Board of Education and the Lessee Representatives.

Section 4.2 Site. The Community Learning Center shall be located on the site to be ground leased for that purpose by the City.

Section 4.3 Construction Budget; Plans and Specifications; Design-Build Process.

(a) Construction Budget. The City will determine the proposed Construction Budget for the Community Learning Center in consultation with the Board of Education Representative and the Lessee Representatives.

The Construction Budget (and any part thereof) as set forth in the Facilities Plan may be revised by the City in consultation with the Board of Education Representative and the Lessee Representatives.

(b) Design-Build Process. The City, in consultation with the Board of Education Representative and the Lessee Representatives shall prepare and publicize a request for proposals for a fixed fee contract based on the preliminary site plan and the preliminary floor plan pursuant to the procedures set forth under State law. The contract shall provide for three phases. The first phase shall be for field investigation and plan review with the Project staff of the City and the Lessee Representatives. The second phase shall be for plan review and approval. The third phase shall be for construction of the Project.

(c) Award. The City will be responsible for awarding all contracts for the Community Learning Center or as otherwise necessary for carrying out the Community Learning Center.

(d) Furnishings and Equipment. Lessees will be responsible for providing all furnishings and equipment necessary for the functions of the Community Learning Center.

Section 4.4 Fiscal Management. Upon completion of the Community Learning Center, Lessees shall be primarily responsible for the fiscal management of the Community Learning Center. For purposes hereof, completion of the Community Learning Center shall be deemed to have occurred upon the issuance by the City of a permanent certificate of occupancy therefor in accordance with applicable law.

(End of Article IV)

## ARTICLE V

### Funding

#### Section 5.1 Financing by the City.

(a) City Securities. By entering into this Agreement, the City has made a good-faith commitment, consistent with available City revenues and the obligations and limitations set forth in this Agreement and under State and federal law, to issue City Securities to provide timely funding for the Project. As soon as practicable after the signing of the Design-Build Agreement, the City shall timely issue City Securities in an amount sufficient, together with funds available from other sources, to fund the Project. To the extent determined economically advisable and as permitted under federal tax laws, the City may issue City Securities in an amount to fund all or a portion of the Project at any one time. The City's obligation to issue the City Securities is premised and conditioned upon: (i) the signing of the Leases and all ancillary agreements in forms acceptable to the City, including without limitation, the Ground Lease, the Limited Guarantee, the Construction Agency Agreement, the Joint Use Agreement and the Building Joint Operations Agreement, and (ii) the absence of any material default on the part of the Board of Education, Atrium, the Lessees and the Lessee Representatives, as applicable, under the Leases and the other agreements described in (i).

(b) Flow of Funds. Proceeds of issuance of the City Securities shall be promptly deposited in the Bond Retirement Fund to the extent of amounts allocable to capitalized interest, and the balance in the Project Construction Fund. Prior to such transfers, the City may deduct and use a portion of those proceeds to pay all normal, reasonable and customary costs (including legal costs) incurred by the City relating to the issuance of the City Securities and the security thereof. If the amount deposited in the

Project Construction Fund exceeds the amount needed to pay the costs of the Project, the excess amount shall be transferred to the Bond Retirement Fund to pay Debt Charges.

(c) Investment Earnings. Earnings on the investment of proceeds of City Securities (and on earnings thereon) while held by the City may either be held in the Project Construction Fund for payment of costs of the Project or be used by the City to pay Debt Charges or other charges required on the City Securities including but not limited to rebate payments to the U.S. Treasury.

Section 5.2 Other Sources of Funds. In the event that other funding for the Community Learning Center or related educational facilities becomes available to the City, the Board of Education or the other Lessees for the specific purpose of providing the Community Learning Center or related purposes from the State or federal government beyond the amount of the State funds currently allocated for permanent improvements to the City, Sinclair Community College or the Board of Education, those additional funds (i) if available prior to the completion of the Community Learning Center, shall be, if applicable, transferred to the City, and in any event deposited by the City into the Project Construction Fund, and (ii) if available after the completion of the Community Learning Center, shall be, if applicable, transferred to the City, and in any event, deposited by the City into the Bond Retirement Fund to be used to pay Debt Charges.

Section 5.3 Contribution by the Board of Education and the Other Lessees. Other financial obligations of the Board of Education and Miami University are set forth in the Leases; the Building Joint Operations Agreement and the Joint Use Agreement.

Section 5.4 Section 3.3 Nature of Obligations of City and Board of Education. It is the understanding and agreement of the City and the Board of Education that the obligations of

the City and the Board of Education under this Agreement are subject to appropriation and certification by the City Council of the City and the Board of Education, respectively.

(End of Article V)

## ARTICLE VI

### Use of the Community Learning Center

Use of the Community Learning Center by the Parties shall be established and governed by the provisions of this Article VI.

#### Section 6.1 Shared Use Schedule.

(a) Priority Use. The Community Learning Center will be used by Community-users. To reflect the Parties' commitment to provide for the educational needs of the Pupils, the School-users and the Auxiliary-users that are Lessees will have priority use of the Community Learning Center as necessary for the governmental, curricular, extracurricular, educational and/or athletic programs or operations of the Board of Education and the other Lessees, as provided in the Leases. Other Auxiliary-users shall have no priority use of the Community Learning Center, but will be permitted use of the Community Learning Center as set forth below or as otherwise agreed to by the Parties and the other Lessees.

(b) Scheduling. Prior to the start of each School Year, the Board of Education Representative and the other Lessees shall determine the schedule for the use of the Community Learning Center for that School Year based on the procedure agreed to by the Lessees in the Building Joint Operations Agreement.

The Parties acknowledge that the use of the Community Learning Center is subject to unanticipated temporary closings due to snow days and other similar emergencies experienced by the District and the City from time to time.

(c) Use by Auxiliary-users. During such times that neither Party and none of the Lessees is scheduled to use the Community Learning Center for a City-use, a School-use, or an Auxiliary-use, an Auxiliary-user may apply for permission to use the

Community Learning Center. All applications for use of the Community Learning Center by Auxiliary-users other than Lessees, shall be subject to the approval of the Lessee Representatives unless a portion of the Community Learning Center is not then being leased, in which case the City may approve such use.

(d) Nature of Community Learning Center. The Parties expressly state, acknowledge and agree that (i) the joint usage of the Community Learning Center is the hallmark of this Agreement, (ii) the Community Learning Center is and shall be a “community center” as that term is used under Section 755.16 of the Revised Code, and (iii) the Community Learning Center will contain a “schoolhouse” and is and shall be a “school building,” “school grounds,” “school premises,” and “school property” for purposes of State and federal civil and criminal law as described below.

The Board of Education will operate its public school in the Community Learning Center in accordance with its State mandate and this Agreement. To the extent permitted by law, the Parties will work cooperatively to insure the quiet enjoyment of each Party’s use of the Community Learning Center.

Section 6.2 City, Board of Education and Lessees may establish and collect fees for attendance at sponsored activities at Community Learning Center. The Board of Education may establish and collect fees for attendance at District-sponsored activities at the Community Learning Center. Each Lessee may establish and collect fees for attendance at activities sponsored by that Lessee. The City may establish a fee schedule for use of the Community Learning Center by other Auxiliary-users and for attendance at City-sponsored activities. Such fees shall be used to pay all or a portion of the maintenance, utility, security, custodial and other reasonable costs incurred as a result of such use.

Section 6.3 Vending Machines. The Board of Education shall control the sale of food, beverages and other items from vending machines in the Community Learning Center and may place vending machines in the Community Learning Center or such locations determined appropriate by the Board of Education.

Section 6.4 Supervision. The Parties acknowledge the need for Supervision during use of the Community Learning Center, and agree that the Board of Education and the other Lessees shall be responsible for providing Supervision during use of the Community Learning Center. The City shall have access to the Community Learning Center as provided in this Agreement. The Board of Education and the other Lessees shall oversee the Day-to-Day Operations of the Community Learning Center.

Section 6.5 Policies, Rules and Regulations. The Parties acknowledge that the Revised Code regulates the use and operation of public schools in the State in various respects including, but not limited to the following:

Section 3313.74	Certain institutions and establishments not permitted near schools
Section 3313.75	Use of schoolhouses generally
Section 3313.751	Smoking and possession of tobacco prohibited, enforcement policy
Section 3313.752	Posting anabolic steroid warnings in athletic facilities
Section 3313.753	Prohibition against carrying electronic communications devices
Section 3313.76	Schoolhouses available for education and recreational purposes
Section 3313.77	Use of school property for public functions; board to adopt policy
Section 3313.78	Political meetings in schoolhouses and on grounds; liability for damage
Section 3313.79	Responsibility for damage; payment of actual expenses
Section 3313.80	Display of the national flag

The Parties further acknowledge that federal law regulates the use and operation of public schools in the State in various respects including, but not limited to the following:

18 U.S.C. §1701 et seq.	Children's Internet Protection Act
20 U.S.C. §3351 et seq.	Gun Free Schools Act of 1994
20 U.S.C. §4071 et seq.	Equal Access Act
20 U.S.C. §6301 et seq.	No Child Left Behind Act

20 U.S.C. §7101 et seq.  
41 U.S.C. §701 et seq.

Safe and Drug Free Schools and Communities Act  
Drug Free Workplace Act of 1988

The Board of Education may adopt or prescribe policies, rules and regulations governing its use and operation of the Community Learning Center in accordance with its obligations, responsibilities, powers and limitations under State and federal law, including but not limited to those cited above. The City may also adopt policies, rules and regulations governing its use and operation of the Community Learning Center in accordance with its obligations, responsibilities, powers and limitations under its Charter and Code of Ordinances and State and federal law. Prior to the final adoption of those policies, rules and regulations, the Board of Education and the City, respectively, shall deliver one copy each of any such policies, rules or regulations to the other Party and to each other Lessee. The other Lessees may review, and may recommend revisions to, those policies, rules and regulations.

Section 6.6 Non-Liability in the Event of Work Stoppage. Neither the Board of Education nor the City shall be liable to the other Party or to any other user for damages of any kind in the event that access to any Community Learning Center is impeded, restricted or prohibited due to picketing, a strike or any other work stoppage by the employees of the Board of Education or the City, respectively. Such an event shall not be deemed a breach of this Agreement.

(End of Article VI)

## ARTICLE VII

### Alterations and Improvements, Utilities, Maintenance and Repairs of the Community Learning Center

Section 7.1 Alterations and Improvements. The Board of Education and the other Lessees shall be responsible for making all alterations and improvements to the Community Learning Center after consultation with the City and subject to the terms of the Ground Lease. If a proposed alteration or improvement materially or substantially affects the Board of Education's or the City's use of the Community Learning Center, that alteration or improvement shall be made only after consultation with the Board of Education and/or the City, as applicable.

If an alteration or improvement to the Community Learning Center is necessary (i) to protect the health and safety of the users of the Community Learning Center or (ii) to comply with applicable local, State or federal laws, rules or regulations, then such alteration or improvement shall be deemed accepted and approved by the Board of Education, the City and Atrium Medical Center, and thereafter maintenance of that alteration or improvement shall be in accordance with this Agreement.

Notwithstanding the foregoing, an alteration or improvement to the Community Learning Center may be made by the Board of Education without the approval of the other Lessees or the City if (i) the Board of Education is willing to pay the entire cost of such alteration or improvement and the entire cost of any increase in the cost of maintaining the Community Learning Center as a result of such alteration or improvement during the term of this Agreement and (ii) such alteration or improvement does not materially or substantially affect the City's or the other Lessees' use of the Community Learning Center.

In the event an alteration or improvement to the Community Learning Center is to occur, the Lessees will determine a construction schedule that will minimize disruptions to the operations of the Board of Education and the City.

Section 7.2 Utilities. The Lessees shall pay the cost of water, sewer, gas and electric utility services provided to the Community Learning Center, subject to Sections 7.1 and 7.5.

Section 7.3 Maintenance.

(a) The Lessees shall maintain the Community Learning Center in a safe and serviceable manner, provide regular custodial services and make all necessary repairs and replacements to the Community Learning Center, including but not limited to window glass, walls, floor coverings, doors, heating, ventilating and air conditioning systems (HVAC), plumbing and all other building systems serving the Community Learning Center, subject to Section 7.1.

(b) The Parties and the other Lessees will cooperate to define the Community Learning Center's needs for scheduled and unscheduled maintenance so as to maximize the time that the Community Learning Center will be available for use.

Section 7.4 Security Services. Security services as deemed reasonably necessary and appropriate will be provided by the Lessees. Auxiliary-users other than Lessees shall be responsible for providing security services acceptable to the Board of Education Representative and the other Lessee Representatives during the use of the Community Learning Center by those Auxiliary-users.

(End of Article VII)

## ARTICLE VIII

### Insurance

Section 8.1 Community Learning Center. The Leases shall provide that the Lessees shall be responsible for providing, or causing to be provided, property, casualty and liability insurance coverage and shall name the City, Atrium Medical Center and the Board of Education as additional insureds under any liability insurance policy, program or pool and the City as an additional insured under any property or casualty insurance policy, program or pool and shall provide that they receive thirty days written notice prior to any cancellation of their respective coverage. Lessees shall provide the City and the Board of Education with copies of such policies, programs or pools at least annually.

Section 8.2 Equipment Insurance. The Lessees shall maintain insurance on the equipment used in the Community Learning Center in an amount sufficient to provide for replacement of that equipment.

Section 8.3 Damage or Destruction of Community Learning Center. Damage, destruction and condemnation of the Community Learning Center shall be governed by the terms of the Leases, as between the Lessees and the City, and by the terms of the Building Joint Operations Agreement, as between the Lessees.

(End of Article VIII)

## ARTICLE IX

### Transfer of Community Learning Center

Section 9.1 Transfer of Community Learning Center. For purposes of this Article IX, the term “transfer” shall include and mean: to sell, assign, convey, transfer or otherwise dispose of or to create or suffer to be created any lien or other encumbrance. The City shall not transfer the Community Learning Center or any part thereof without the written consent of the other Party except as otherwise provided herein.

Section 9.2 Proceeds of Transfer. The proceeds resulting from transferring the Community Learning Center or any part thereof, if any, shall be distributed based on the following: to the City for deposit in the Bond Retirement Fund, the amount necessary to retire the City Securities in full; and to the General Fund, the remaining amount of those proceeds.

(End of Article IX)

## **ARTICLE X**

### **City and Board of Education Cooperation**

Section 10.1 City and Board of Education Representatives. It is the understanding of the Parties that the success of the Community Learning Center will depend, in part, on the ability of the City Representative, the Board of Education Representative and the other Lessee Representatives to cooperate on the Day-to-Day Operations of the Community Learning Center. To that end it is understood that the City Representative, the Board of Education Representative and the other Lessee Representatives will need to communicate frequently with each other and work cooperatively on Community Learning Center issues.

Section 10.2 Acknowledgment of the Parties' Collective Bargaining Agreements. The City and the Board of Education acknowledge that each Party has certain existing contractual obligations with its collective bargaining units. No provision of this Agreement is intended to, nor shall supercede the provisions of those collective bargaining agreements.

(End of Article X)

## ARTICLE XI

### Obligations, Representations and Warranties; Default

Section 11.1 Mutual Assistance. Each Party shall cooperate with the other and shall at its own cost and expense provide reasonable assistance to the other to aid the other Party in fulfilling its obligations under this Agreement.

Section 11.2 Authority. The Parties have taken all required action to approve and adopt this Agreement. This Agreement is a duly authorized, valid and binding Agreement of the Parties, enforceable against them in accordance with its terms. Further, the representatives signing this Agreement have the requisite authority to do so.

Section 11.3 Absence of Required Consents or Contractual Restrictions. No consent or approval that has not been obtained is required to be obtained in connection with the signing and delivery of this Agreement or the performance of the transactions contemplated hereby. No contract or agreement by which the Parties are bound will restrict their ability to fulfill their obligations and responsibilities under this Agreement or any related agreement or to carry out the activities contemplated herein.

Section 11.4 Representations and Warranties. Each Party hereto warrants and represents to the other that the signing and delivery of this Agreement by such Party:

- (a) does not and will not violate or conflict with any statute, regulation, judgment, order, writ, decree or injunction applicable to them; and
- (b) does not and will not violate or conflict with any charter provision or by-law of the Parties, or any existing mortgage, indenture, contract, licensing agreement or other agreement binding on such Party.

Section 11.5 Default. In the event of a default by a Party in performing any of the monetary or nonmonetary obligations imposed hereunder, the nondefaulting Party shall give

written notice to the other specifying the nature of the default. In case of nonmonetary default, the defaulting Party shall have 60 days after receipt of the written notice of default to cure said nonmonetary default (or such period of time thereafter as is reasonably necessary in order to diligently pursue and complete said cure).

In the event of a monetary default, the Parties hereto shall agree upon a repayment schedule, and the defaulting Party shall make payments in accordance therewith until such time as the monetary default is cured. Thereafter, if the defaulting Party fails to timely cure a monetary default or fails to make payments in accordance with the repayment schedule, then the defaulting Party's right to use the Community Learning Center shall be suspended until such time as the monetary default is cured or repayment is made in accordance with the repayment schedule.

Section 11.6 Dispute Resolution. In the event of a dispute or claim by either Party against the other Party arising under this Agreement that cannot be determined pursuant to a resolution procedure previously set forth in the Agreement or otherwise pursuant to good faith negotiations by the Parties using their best efforts to expeditiously resolve the matter, such dispute or claim shall then be submitted for mediation before a mediator mutually selected by the Parties. If the Parties are unable to mutually select a mediator, then either Party may request that a mediator be provided by the American Arbitration Association. The Parties shall share equally the cost of the services of a mediator.

(End of Article XI)

## ARTICLE XII

### Miscellaneous

Section 12.1 Further Assurances. The Parties hereto, and each of them agree at the time and from time to time, to sign any and all documents reasonably requested by the other to carry out the intent of this Agreement.

Section 12.2 Captions. The captions of this Agreement are inserted for convenience of reference only and in no way define, describe or limit the scope or intent of this Agreement or any other provisions hereof.

Section 12.3 Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and assigns.

Section 12.4 No Partnership. Nothing contained in this Agreement or any of the documents to be signed pursuant hereto shall be interpreted so as to create a partnership or any other arrangement whereby one of the Parties is authorized to act as an agent for another.

Section 12.5 Extent of Provisions Regarding Parties. Each duty of the Parties and of their officers and employees under this Agreement is a duty enjoined specifically by law upon that Party and each of those officers and employees having authority hereunder or by provision of law to perform that duty, resulting from an office, trust or station, within the meaning of Section 2731.01, Ohio Revised Code, providing for enforcement by writ of mandamus.

All representations, warranties, covenants, agreements and obligations of the Parties under this Agreement shall be effective to the extent authorized and permitted by applicable law. None of those representations, warranties, covenants, agreements or obligations shall be deemed to be a representation, warranty, covenant, agreement or obligation of any present or future member, officer, agent or employee of the Parties in other than his or her official capacity.

Section 12.6 Third-Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit of the Parties hereto, and no other person or entity shall have a right of action hereunder or the right to claim any right or benefit from the terms contained herein, or be deemed a third-Party beneficiary hereunder.

Section 12.7 Governing Law. The governing law of the validity, meaning and effect of this Agreement shall be determined in accordance with the laws of the State of Ohio.

Section 12.8 No Assignment. Neither Party to this Agreement may assign, transfer or otherwise convey any or all of its rights or obligations hereunder without the prior written consent of the other Party.

Section 12.9 Entire Agreement; Amendment. This Agreement with any exhibits attached hereto sets forth the entire understanding between the Parties relating to the subject matter contained herein and merges and supercedes all prior discussions between them. No amendment to this Agreement shall be effective unless it is in writing and signed by the Parties hereto.

Section 12.10 Severability. If any one or more of the provisions contained in this Agreement or in any document signed in connection herewith (other than provisions constituting a material consideration to a Party's entering into this Agreement or such other document) shall be invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired; provided, however, that in such case the Parties shall use their best efforts to achieve the purpose of the invalid provision.

Section 12.11 Notices. All notices, certificates, requests, demands and other communications hereunder shall be in writing and may be personally served or sent by telefax or

certified or registered mail. All such notices, certificates, requests, demands and other communications shall be delivered to the Party to receive the same at the addresses indicated below (or at such other address(es) as a Party may specify in a written notice):

To: Warren County Vocational School District  
Warren County Career Center  
3529 North State Route 48  
Lebanon, Ohio 45036  
Attention: Superintendent

With a copy to: C. Bronston McCord III  
Ennis Roberts Fischer  
1714 West Galbraith Road  
Cincinnati, Ohio 45239

To: City of Middletown  
One Donham Plaza  
Middletown, Ohio 45042  
Attention: City Manager

With a copy to: Law Director  
City of Middletown  
One Donham Plaza  
Middletown, Ohio 45042\

Section 12.12 Waiver. No failure on the part of a Party to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power or remedy by a Party preclude any other or further exercise thereof or the exercise of any other right, power or remedy available at law or in equity.

Section 12.13 No Construction Against Drafter. This Agreement shall be interpreted to give it fair meaning, and any ambiguity shall not be construed for or against any Party.

(End of Article XII)

**IN WITNESS WHEREOF**, this Agreement is signed the day first written above.

**BOARD OF EDUCATION OF WARREN  
COUNTY VOCATIONAL SCHOOL  
DISTRICT**

By: Margaret A. Hess  
Superintendent

**CITY OF MIDDLETOWN**

By: \_\_\_\_\_  
City Manager

**APPROVED AS TO FORM AND  
CORRECTNESS:**

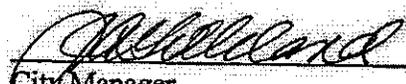
\_\_\_\_\_  
Law Director  
City of Middletown, Ohio

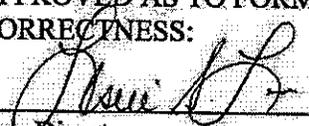
IN WITNESS WHEREOF, this Agreement is signed the day first written above.

**BOARD OF EDUCATION OF WARREN  
COUNTY VOCATIONAL SCHOOL  
DISTRICT**

By: \_\_\_\_\_  
Superintendent

**CITY OF MIDDLETOWN**

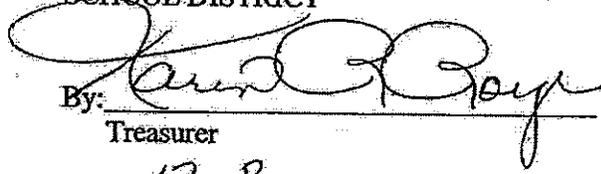
By:   
City Manager

APPROVED AS TO FORM AND  
CORRECTNESS:  
  
Law Director  
City of Middletown, Ohio

**CERTIFICATION OF FUNDS**

The undersigned, being the Treasurer of the Warren County Vocational School District (the "District"), hereby certifies that the money required to meet the obligations of the District under the foregoing Cooperative Development Agreement in the current fiscal year has been lawfully appropriated for such purposes and is in the treasury of the District or in the process of collection to the credit of an appropriate fund, free from any previous encumbrances, and that the use of said funds for this purposes shall not prevent the District from carrying on its lawful activities.

WARREN COUNTY VOCATIONAL  
SCHOOL DISTRICT

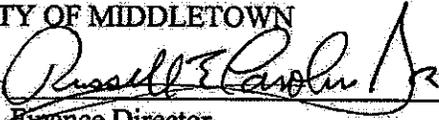
By:   
Treasurer

Date: 12-8, 2010

**CERTIFICATION OF FUNDS**

The undersigned, being the Finance Director of the City of Middletown, Ohio (the "City"), hereby certifies that the money required to meet the obligations of the City under the foregoing Cooperative Development Agreement in the current fiscal year has been lawfully appropriated for such purposes and is in the treasury of the City or in the process of collection to the credit of an appropriate fund, free from any previous encumbrances, and that the use of said funds for this purposes shall not prevent the City from carrying on its lawful activities.

CITY OF MIDDLETOWN

By   
Finance Director

Date: 12/9, 2010

**Executed Partnership Agreement**

The parties and entities listed below hereby enter into this Executed Partnership Agreement(EPA) for the research, development, and use of the Local Government Innovation Fund to conduct a feasibility study for Greentree Health Science Academy at 5757 Innovation Dr. Middletown, Ohio 45042 (GHSA”). This EPA is made and entered into as of the date signed by the last party to execute this EPA (the “Effective Date”).

**1. PARTIES.** The following entities and persons are individually known as a “Party” and collectively known as the “Parties”:

- a. The “WCCC” is the Warren County Joint Vocational School District Warren County, Ohio, an Ohio public school.
- b. Miami University Oxford, Ohio is an Ohio public university.
- c. Cincinnati State Technical and Community College is an Ohio public college.
- d. City of Middletown and Ohio public local government
- e. Atrium Medical Center is a non-profit hospital in Middletown, Ohio.

**2. PURPOSE.** The Parties desire to work together to research, develop, and use, a feasibility study for GHSA. The Parties enter into this EPA to work collaboratively with each other on selecting and procuring a third party to conduct the feasibility study for GHSA. The parties agree to the 10% match (not to exceed \$2000 per party) that is required if the Local Government Innovation Fund is awarded.

**IN WITNESS WHEREOF**, the parties hereto have set their hands as of the Effective Date.

**Warren County Joint Vocational School District Warren County, Ohio**

By: Margaret A. Hess  
Print Name: Margaret A. Hess  
Title: WCCC Superintendent  
Date: 3/27/2012

**Miami University Oxford, Ohio**

By: G. Michael Pratt  
Print Name: G. Michael Pratt  
Title: Regional Campus Dean  
Date: 3/28/2012

**Cincinnati State Technical and Community College**

By: Monica Posey  
Print Name: Monica Posey  
Title: Academic Vice President  
Date: 3/29/2012

**City of Middletown, Ohio**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Atrium Medical Center**

By: John W. McCann  
Print Name: John W. McCann MD  
Title: DIRECTOR, FMS & CSO  
Date: 03/29/2012



April 2, 2012

Joel Anderson  
Warren County Joint Vocational School District  
3529 St. Rt. 48  
Lebanon, Ohio 45036

RE: Application Cure Letter

Dear Joel Anderson:

The Ohio Department of Development (Development) has received and is currently reviewing your application for Round 1 of Local Government Innovation Fund program. During this review Development has determined that additional information is needed for your application. The identified item(s) requiring your attention are listed on the attached page(s). Please respond only to the issues raised. Failure to fully address all the identified items could lead to a competitive score reduction or ineligibility for Round 1 of the Local Government Innovation Fund program. **A written response from the applicant to this completeness review is due to Development no later than 5:00 p.m. on April 30, 2012.** Please send the response in a single email to [lgif@development.ohio.gov](mailto:lgif@development.ohio.gov) and include "Cure—Project Name" in the subject line.

While this cure letter represents the additional information needed for Development review, the Local Government Innovation Council continues to reserve the right to request additional information about your application.

Thank you once again for your participation in Local Government Innovation program. Please contact the Office of Redevelopment at [lgif@development.ohio.gov](mailto:lgif@development.ohio.gov) or 614-995-2292 if you have further questions regarding your application or the information requested in this letter.

Sincerely,

Thea J. Walsh, AICP  
Deputy Chief, Office of Redevelopment  
Ohio Department of Development

## Local Government Innovation Fund Completeness Review

**Applicant:** Warren County Joint Vocational School District  
**Project Name:** Greentree Health Science Initiative  
**Request Type:** Grant

### Issues for Response

#### 1. Budget

Please provide a line item budget that includes at minimum: 1) the sources of all funds being contributed to the project include **all** sources—cash, in-kind, etc.; 2) the uses of all funds (provide a line item for each use); 3) the total project costs (including the funding request **and** the local match. Please be sure that all uses of funds are eligible expenses as set forth in the program guidelines.

#### *Example:*

##### Collaboration Village's Project Budget

###### Sources of Funds

LGIF Request	\$100,000
Match Contribution (10%)	\$ 11,111
Total	\$111,111

###### Uses of Funds

Consultant Fees for Study	\$111,111
Total	\$111,111

**Total Project Cost: \$111,111**

#### 2. Match

For **in-kind contributions**, please provide documentation as outlined in section 2.06 of the Local Government Innovation Fund program policies. Certification of in-kind contributions may only be made for past investments. Anticipated in-kind contributions must be certified **after** the contribution is made.

#### 3. Population Information and Documentation

Please provide documentation supporting population information provided using the 2010 U.S. Census. To access census information, you may visit the following website <http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml>.

#### 4. Resolutions of Support

Resolutions of support must be provided by the governing body of the main applicant and each collaborative partner. If the collaborative partner is a private entity with no governing body, a letter of support **for the project** is required.

#### 5. Partnership Agreements

Partnership agreements must be signed by all parties listed as collaborative partners. Please provide a partnership agreement that at minimum: 1) lists all collaborative partners;

2) lists the nature of the partnership; and 3) is signed by all parties. Please note, partnership agreements must be specific to the project for which funding is requested.

## Local Government Innovation Fund Completeness Review

**Applicant:** Warren County Joint Vocational School District  
**Project Name:** Greentree Health Science Initiative  
**Request type:** Grant

### Issues for Response

#### 1. Budget

##### Sources of funds

<b>LGIF Request</b>	<b>\$100,000</b>
<b>Match Contribution (10%)</b>	<b>\$10,000 cash</b>
<b>Total</b>	<b>\$110,000</b>

##### Uses of Funds

<b>Consultant fees for study</b>	<b>\$110,000</b>
<b>Total</b>	<b>\$110,000</b>

**Total Project Cost:** \$110,000

#### 2. Match

**We have no in-kind contributions for the project. The match contribution is broken down as follows:**

Warren County Joint Vocational School District	\$2000
Miami University	\$2000
City of Middletown	\$2000
Atrium Medical Center	\$2000
Cincinnati State Technical and Community College	\$2000
<b>Total</b>	<b>\$10,000 match</b>

### **3. Population Information and Documentation**

County:	Warren
Population:	212,693 (Warren County)
City:	City of Middletown
Population:	48,694
County:	Hamilton
Population:	802,374 (Hamilton County)

### **4. Resolutions of Support**

We have included a WCVSD Board of Education Resolution that supports the project. We have also included Cooperative Development Agreement for Community Learning Center between the City of Middletown and WCVSD as well as Miami University. The timeline of the grant does not allow us to get a resolution from Cincinnati State Board of Directors as they only meet once every three months.

### **5. Partnership Agreements:**

The signed Partnership Agreement was sent on 3-30-2012 to the email address: [lgjf@development.ohio.gov](mailto:lgjf@development.ohio.gov).

Denise Brookins sent an email stating that the application had been updated. A copy of the email is attached.

WARREN COUNTY VOCATIONAL SCHOOL DISTRICT

RESOLUTION 720-12

WCVSD BOARD OF EDUCATION  
SUPPORTS  
THE LOCAL GOVERNMENT INNOVATION FUND GRANT  
FOR PLANNING PURPOSES  
FOR THE  
GREENTREE HEALTH SCIENCE ACADEMY

The Warren County Vocational School District Board of Education of Warren County, Ohio met in regular session on the 15th day of March 2012, at the Warren County Career Center, with the following members present:

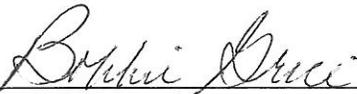
Mr. Barton	present
Mrs. Grice	present
Mrs. Baker-Hicks	present
Mrs. Holloway	present
Dr. Kohls	present
Mrs. Raleigh	present

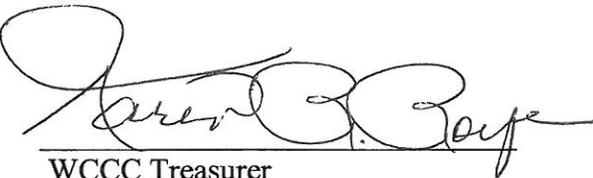
Moved by Mrs. Holloway and seconded by Mrs. Baker-Hicks that the resolution be accepted as presented.

Roll call vote resulted as follows:

Mrs. Holloway, aye; Dr. Kohls, aye; Mrs. Raleigh, aye;  
Mr. Barton, aye; Mrs. Grice, aye; Mrs. Baker-Hicks, aye.

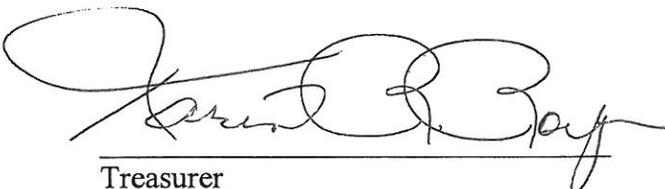
Motion carried.

  
\_\_\_\_\_  
WCVSD President

  
\_\_\_\_\_  
WCCC Treasurer

**CERTIFICATE**

The undersigned hereby certifies that the foregoing is a true and correct copy of a resolution adopted at a meeting held on the 15<sup>th</sup> day of March, 2012, together with a true and correct extract from the minutes of said meeting to the extent pertinent to consideration and adoption of said resolution.

  
\_\_\_\_\_  
Treasurer

## Joel Anderson

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**From:** Brookins, Denise <Denise.Brookins@development.ohio.gov> on behalf of lgif <lgif@development.ohio.gov>  
**Sent:** Tuesday, April 03, 2012 8:56 AM  
**To:** Joel Anderson  
**Subject:** RE: Board resolution and Executed Partnership Agreement

Your application has been updated with the resolution of support and partnership agreement.

***Denise Brookins***

College Intern  
Office of Redevelopment  
614.728.0961  
[Denise.Brookins@development.ohio.gov](mailto:Denise.Brookins@development.ohio.gov)

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Email to and from the Ohio Department of Development is open to public inspection under Ohio's public record law. Unless a legal exemption applies, this message and any response to it will be released if requested.

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The State of Ohio is an Equal Opportunity Employer and Provider of ADA Services.

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**From:** Joel Anderson [mailto:[JOEL.ANDERSON@mywccc.org](mailto:JOEL.ANDERSON@mywccc.org)]  
**Sent:** Friday, March 30, 2012 3:22 PM  
**To:** lgif  
**Subject:** Board resolution and Executed Partnership Agreement

To Whom It May Concern,

Attached is a Board Resolution and Executed Partnership Agreement for our grant.

If we need to send them through the filezilla, will you let me know.

Thanks.

Joel

Joel Anderson  
Director of Curriculum & Instruction  
Warren County Career Center  
3529 St. Rt. 48  
Lebanon, Ohio 45036  
513-932-5677 ext. 5210  
[Joel.anderson@mywccc.org](mailto:Joel.anderson@mywccc.org)

## Local Government Innovation Fund Completeness Review

**Applicant:** Warren County Joint Vocational School District

**Project Name:** Greentree Health Science Initiative

**Request Type:** Grant

### Issues for Response

#### 1. Budget

Please provide a line item budget that includes at minimum: 1) the sources of all funds being contributed to the project include **all** sources—cash, in-kind, etc.; 2) the uses of all funds (provide a line item for each use); 3) the total project costs (including the funding request **and** the local match. Please be sure that all uses of funds are eligible expenses as set forth in the program guidelines.

#### *Example:*

##### **Collaboration Village's Project Budget**

###### **Sources of Funds**

<b>LGIF Request</b>	\$100,000
Match Contribution (10%)	\$ 11,111
<b>Total</b>	<b>\$111,111</b>

###### **Uses of Funds**

Consultant Fees for Study	\$111,111
<b>Total</b>	<b>\$111,111</b>

**Total Project Cost: \$111,111**

#### 2. Match

For **in-kind contributions**, please provide documentation as outlined in section 2.06 of the Local Government Innovation Fund program policies. Certification of in-kind contributions may only be made for past investments. Anticipated in-kind contributions must be certified **after** the contribution is made.

#### 3. Population Information and Documentation

Please provide documentation supporting population information provided using the 2010 U.S. Census. To access census information, you may visit the following website <http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml>.

#### 4. Resolutions of Support

Resolutions of support must be provided by the governing body of the main applicant and each collaborative partner. If the collaborative partner is a private entity with no governing body, a letter of support **for the project** is required.

#### 5. Partnership Agreements

Partnership agreements must be signed by all parties listed as collaborative partners. Please provide a partnership agreement that at minimum: 1) lists all collaborative partners;

2) lists the nature of the partnership; and 3) is signed by all parties. Please note, partnership agreements must be specific to the project for which funding is requested.

## Local Government Innovation Fund Completeness Review

**Applicant:** Warren County Joint Vocational School District  
**Project Name:** Greentree Health Science Initiative  
**Request type:** Grant

### Issues for Response

#### 1. Budget

##### Sources of funds

<b>LGIF Request</b>	<b>\$100,000</b>
<b>Match Contribution (10%)</b>	<b>\$10,000 cash</b>
<b>Total</b>	<b>\$110,000</b>

##### Uses of Funds

<b>Consultant fees for study</b>	<b>\$110,000</b>
<b>Total</b>	<b>\$110,000</b>

**Total Project Cost: \$110,000**

#### 2. Match

**We have no in-kind contributions for the project. The match contribution is broken down as follows:**

Warren County Joint Vocational School District	\$2000
Miami University	\$2000
City of Middletown	\$2000
Atrium Medical Center	\$2000
Cincinnati State Technical and Community College	\$2000
<b>Total</b>	<b>\$10,000 match</b>

### **3. Population Information and Documentation**

County:	Warren
Population:	212,693 (Warren County)
City:	City of Middletown
Population:	48,694
County:	Hamilton
Population:	802,374 (Hamilton County)

### **4. Resolutions of Support**

We have included a WCVSD Board of Education Resolution that supports the project. We have also included Cooperative Development Agreement for Community Learning Center between the City of Middletown and WCVSD as well as Miami University. The timeline of the grant does not allow us to get a resolution from Cincinnati State Board of Directors as they only meet once every three months.

### **5. Partnership Agreements:**

The signed Partnership Agreement was sent on 3-30-2012 to the email address: [lgjf@development.ohio.gov](mailto:lgjf@development.ohio.gov).

Denise Brookins sent an email stating that the application had been updated. A copy of the email is attached.

WARREN COUNTY VOCATIONAL SCHOOL DISTRICT

RESOLUTION 720-12

WCVSD BOARD OF EDUCATION  
SUPPORTS  
THE LOCAL GOVERNMENT INNOVATION FUND GRANT  
FOR PLANNING PURPOSES  
FOR THE  
GREENTREE HEALTH SCIENCE ACADEMY

The Warren County Vocational School District Board of Education of Warren County, Ohio met in regular session on the 15th day of March 2012, at the Warren County Career Center, with the following members present:

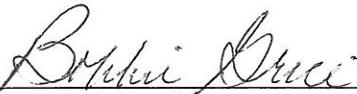
Mr. Barton	present
Mrs. Grice	present
Mrs. Baker-Hicks	present
Mrs. Holloway	present
Dr. Kohls	present
Mrs. Raleigh	present

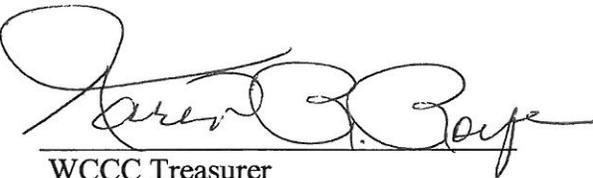
Moved by Mrs. Holloway and seconded by Mrs. Baker-Hicks that the resolution be accepted as presented.

Roll call vote resulted as follows:

Mrs. Holloway, aye; Dr. Kohls, aye; Mrs. Raleigh, aye;  
Mr. Barton, aye; Mrs. Grice, aye; Mrs. Baker-Hicks, aye.

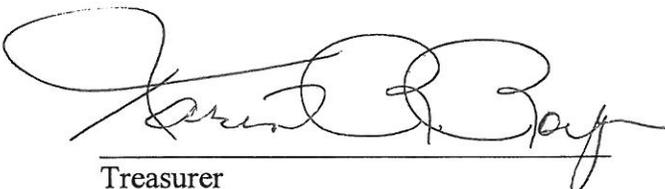
Motion carried.

  
\_\_\_\_\_  
WCVSD President

  
\_\_\_\_\_  
WCCC Treasurer

**CERTIFICATE**

The undersigned hereby certifies that the foregoing is a true and correct copy of a resolution adopted at a meeting held on the 15<sup>th</sup> day of March, 2012, together with a true and correct extract from the minutes of said meeting to the extent pertinent to consideration and adoption of said resolution.

  
\_\_\_\_\_  
Treasurer

## Joel Anderson

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**From:** Brookins, Denise <Denise.Brookins@development.ohio.gov> on behalf of lgif <lgif@development.ohio.gov>  
**Sent:** Tuesday, April 03, 2012 8:56 AM  
**To:** Joel Anderson  
**Subject:** RE: Board resolution and Executed Partnership Agreement

Your application has been updated with the resolution of support and partnership agreement.

***Denise Brookins***

College Intern  
Office of Redevelopment  
614.728.0961  
[Denise.Brookins@development.ohio.gov](mailto:Denise.Brookins@development.ohio.gov)

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Email to and from the Ohio Department of Development is open to public inspection under Ohio's public record law. Unless a legal exemption applies, this message and any response to it will be released if requested.

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The State of Ohio is an Equal Opportunity Employer and Provider of ADA Services.

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**From:** Joel Anderson [mailto:JOEL.ANDERSON@mywccc.org]  
**Sent:** Friday, March 30, 2012 3:22 PM  
**To:** lgif  
**Subject:** Board resolution and Executed Partnership Agreement

To Whom It May Concern,

Attached is a Board Resolution and Executed Partnership Agreement for our grant.

If we need to send them through the filezilla, will you let me know.

Thanks.

Joel

Joel Anderson  
Director of Curriculum & Instruction  
Warren County Career Center  
3529 St. Rt. 48  
Lebanon, Ohio 45036  
513-932-5677 ext. 5210  
[Joel.anderson@mywccc.org](mailto:Joel.anderson@mywccc.org)

## Local Government Innovation Fund Completeness Review

**Applicant:** Warren County Joint Vocational School District

**Project Name:** Greentree Health Science Initiative

**Request Type:** Grant

### Issues for Response

#### 1. Budget

Please provide a line item budget that includes at minimum: 1) the sources of all funds being contributed to the project include **all** sources—cash, in-kind, etc.; 2) the uses of all funds (provide a line item for each use); 3) the total project costs (including the funding request **and** the local match. Please be sure that all uses of funds are eligible expenses as set forth in the program guidelines.

#### *Example:*

##### **Collaboration Village's Project Budget**

###### **Sources of Funds**

<b>LGIF Request</b>	\$100,000
Match Contribution (10%)	\$ 11,111
<b>Total</b>	<b>\$111,111</b>

###### **Uses of Funds**

Consultant Fees for Study	\$111,111
<b>Total</b>	<b>\$111,111</b>

**Total Project Cost: \$111,111**

#### 2. Match

For **in-kind contributions**, please provide documentation as outlined in section 2.06 of the Local Government Innovation Fund program policies. Certification of in-kind contributions may only be made for past investments. Anticipated in-kind contributions must be certified **after** the contribution is made.

#### 3. Population Information and Documentation

Please provide documentation supporting population information provided using the 2010 U.S. Census. To access census information, you may visit the following website <http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml>.

#### 4. Resolutions of Support

Resolutions of support must be provided by the governing body of the main applicant and each collaborative partner. If the collaborative partner is a private entity with no governing body, a letter of support **for the project** is required.

#### 5. Partnership Agreements

Partnership agreements must be signed by all parties listed as collaborative partners. Please provide a partnership agreement that at minimum: 1) lists all collaborative partners;

2) lists the nature of the partnership; and 3) is signed by all parties. Please note, partnership agreements must be specific to the project for which funding is requested.